STATE TEACHERS COLLEGE
JOHNSON CITY, TENNESSEE

The Nation

FOUNDED 1865

Vol. CXXXVI NEW YORK, WEDNESDAY, JUNE 7, 1933 No. 3544

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THE NATION, No. 20 Vesey Street, New York City. Cable Address: NATION, New York. Muriel C. Gray, Advertising Manager. British Agent, Gertrude M. Cross, 23 Brunswick Square, London W. C. 1, England.

THE STATESMEN of the world continue to assure one another that the salvation of modern civilization depends upon achieving international agreement at Geneva and London, and then they proceed to pile up still higher the difficulties in the way of any such achievement. The United States has announced its willingness to cooperate, at least negatively, in maintaining peace and has asked for immediately lowered armaments as a token of Europe's good intentions, but the force of the Roosevelt-Davis statements has been imperiled by a last-minute amendment in the Senate Foreign Relations Committee of the resolution empowering the President to declare an embargo on arms in concert with other nations in case of a breach of the peace. The amendment prescribes that executive power shall be limited to declaring an embargo against all parties to a dispute, thus maintaining intact the theory of American neutrality and leaving any abrogation of neutrality, such as is implied in an embargo affecting one nation alone, to the discretion of Congress. This change seriously weakens the position of the United States as a joint guarantor of peace. Without an act of Congress it will be impossible to join in enforcing a decision to withhold arms from a nation adjudged an aggressor, and the attitude of Congress toward other proposals to take a hand in maintaining peace abroad, in fact the fate of this resolution itself, makes the hope of any effective cooperation by the United States a most precarious one. Will not France and England and the other nations take this amendment as a sign that our representatives at Geneva have been offering goods which they are probably unable to deliver?

THE BAD EFFECT of the change in the embargo resolution will, we fear, be reinforced by the disconcerting implications of Mr. Moley's radio speech on May 20 advising his countrymen not to expect too much of the London Economic Conference. Already repercussions of surprise and confusion have come back from Europe. How are foreigners, how indeed are Americans, to interpret the intentions of an Administration which offers high hopes and utters mighty warnings and then in the next breath casually remarks that the hopes are probably ill-founded and the consequences involved not so very important anyhow? If the Administration is divided against itself, if Mr. Moley and Mr. Hull are pulling in opposite directions, it would be well to eliminate the influence and silence the utterances of one or the other before the United States delegation sets sail for London. Our representatives cannot work for internationalism and talk nationalism at the same time.

ANOTHER NATION to throw sand in the gears of the creaky international machinery is Japan. A very definite check to progress at Geneva has resulted from Mr. Sato's announcement that Japan would demand naval equality with Great Britain and the United States in 1935, and that for this reason no reference to the Washington and London treaties should be included in the draft of the arms convention now under discussion. This demand might have been expected from previous Japanese statements, but in fact it was not expected at the present critical time. It implies more than it says, giving notice that Japan is determined henceforth to be accepted as one of the great imperial Powers. The government at Tokio is thus, in effect, demanding for the future a navy as powerful as that of England and the United States in order to maintain control over vast territory on the Asiatic mainland conquered in defiance of the opinion of the world and the judgment of the League of Nations. Whether or not this gesture produces a new stalemate at Geneva, it at least creates another focus of international suspicion. It may have the one salutary effect of impelling the United States to draw closer to the nations of Europe and to Russia. Isolation is a desirable quality only when it pays to be isolated.

THREE MONTHS having now elapsed since the League of Nations adopted the Lytton report, China has the "legal" right to declare war on Japan. But T. V. Soong, the Chinese Finance Minister, told New York reporters that he preferred to regard Japanese military operations in Manchuria and North China as mere "hostilities." The newspapermen noted that he carefully avoided the word "war." Asked why, he replied that he could not dis-

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cuss the matter. Strange. Japan takes all of Manchuria and pushes south to Peiping and Tientsin. The Chinese, one would think, would mount to the housetops and shout that this is war—brazen, cruel, unjustifiable war. Yet they refrain. We think that the caution of the Nanking Government has deep and significant reasons. War might oblige Chiang Kai-shek to resist Japanese aggression, and he apparently has no intention of doing so. He did not oppose the Japanese at Shanghai in the spring of 1932, but obstructed the activities of the valiant Cantonese, his political rivals, who held Japan at bay while the world gasped and applauded. More recently, when the Japanese machine rolled on toward Peiping and Tientsin, all the troops to whom Nanking's word meant anything turned and fled.

THAT CHIANG KAI-SHEK does not care to stop Japan has been asserted for more than a year by his critics, including Mrs. Sun Yat-sen, whose article we printed in a recent issue. The Chinese have been known to bow to the inevitable long before it became inevitable, and scores of unemployed tuchuns gathered at Peiping and Tientsin to welcome the advancing Japanese and perhaps also to aid in establishing a new "Chinese state" of northern China, a sister of "independent" Manchukuo. We are witnessing the absorption and partition of China without as much as a protest from the so-called central government of China and with no more than pious resolutions from the Powers of the world. T. V. Soong declined to elaborate on Nanking's supineness. But others declare that Chiang Kai-shek has a pact with Tokio by the unwritten terms of which he connives at its occupation of Chinese territory while it assists him in suppressing the soviets south of the Yangtze. These soviets, incidentally, offered to drop their hostility to Chiang and cooperate with him in stemming the Japanese tide. He turned down that offer. The Chinese are the peers of the Japanese in cynicism, and since what happens today may not make much difference three hundred years from now, it is not unreasonable to expect that Chinese generals will prefer to let Japan go where it pleases as long as they retain nominal power and receive their subsidies.

IN SPITE of the extravagant interpretations placed upon it by Representative Steagall, and by excited speculators in Wall Street, there is no reason to suppose that the Administration intended anything by its so-called gold-repeal resolution beyond giving a de facto situation legal recognition and explicitness, and avoiding the additional irony of having to issue more government bonds promising payment in gold. Meanwhile it will help greatly if one or two things are clearly recognized. The new resolution constitutes an explicit repudiation of explicit government contracts. It is also, as the New York *Times* has pointed out, a repudiation of the President's own campaign promises. On November 4, 1932, speaking in Brooklyn, he remarked: "No responsible government would have sold to the country securities payable in gold if it knew that the promise—yes, the covenant—embodied in these securities was as dubious as the President of the United States claims it was." A cynic might remark that at least Mr. Roosevelt's word is as good as his bond. Mr. Roosevelt's explanation, in his recent radio address, that gold payments were abandoned because there was not enough gold in the country to pay them was thoroughly unconvincing, especially in view of the fact that in its latest weekly statement the Federal Reserve System is shown to hold more gold than at any time in the nineteen years of the system's history. The repudiation of the gold clause can be justified on only one ground—that retention of the old gold parity of the dollar would have meant the continuance of a volume of unemployment and human suffering that had become intolerable; that repudiation, in short, is the lesser of two evils. The Administration is relatively justified in repudiating the gold clause in bonds, in other words, not because payment actually cannot be made in gold terms, but because such repudiation is an integral part of a program for raising commodity prices to a level at which farmers can survive and manufacturers can operate and employ labor. Only prompt devaluation of the dollar as part of an international devaluation of currencies, therefore, can offset the serious consequences of the government's present move.

THE BROADER SOCIAL and legislative implications of the Morgan testimony are discussed elsewhere in this issue editorially and in the article by Paul Anderson. But regarding the failure of any of the Morgan partners to pay an income tax for either 1931 or 1932 certain facts must be kept in mind. It has not yet been shown that any of the partners in his personal tax made a false return. Until evidence is adduced to the contrary, therefore, it may be assumed that those returns are correct, and that in a technical bookkeeping sense the Morgan partners had no net incomes in those two years. They lost more on their security holdings in that period, in other words, than they made as partners of the great banking firm. In failing to pay any tax, therefore, they were not only keeping within the letter of the law; they were even, in a sense, conforming to the purpose of the law, which was to tax bookkeeping income. The man on the street, therefore, or the man who had to pay a tax on, say, a $5,000 income, and who is properly outraged to learn that the great Morgan partners paid nothing, should remember that the Morgan partners were guilty only of the common practice of paying the smallest tax (even to the point of non-existence) that the law allows, and that the law itself is the villain in the piece.

CHANGES IN THE LAW are essential, but they ought not to be nearsighted. We may pass over the unconscious humorists who are now using the Morgan case as an argument, not for plugging up the leaks in the law, but for abolishing the income-tax law in favor of a sales tax. A more dangerous suggestion, because it is more likely to get a serious hearing, is that we ought to adopt the British system, which neither allows deductions for capital losses nor taxes capital gains. That would be peculiarly unfortunate, because in good years capital gains—i. e., stock and real-estate profits and other forms of unearned increment—constitute a very substantial part of the large American incomes. Moreover, some of the overnight tax reformers seem not to know that the law has been drastically changed already. The present revenue law taxes capital gains in any one year as the law did previously, but allows deduction for capital losses in that year only against capital gains, and not against other income. It also allows the deduction of a capital loss in any one year from a capital gain in the next year. While such a law seems close to a "heads I win, tails you lose" policy on the

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part of the government, it is really more equitable to the taxpayer than it appears to be on the surface, for it is still possible for taxpayers, for example, to realize their losses for tax purposes in some stocks during the year while failing to realize their gains in others. It would seem advisable to extend the principle adopted for gains and losses in any one year to the capital gains and losses resulting from the sale of property held for two years or more.

THE REPEAL VOTE in New York was a foregone conclusion, but the extent of the majority—over eight to one—was a surprise. Eight States have voted to reinstate the Demon Rum—Michigan, Wisconsin, Rhode Island, New Jersey, New York, Nevada, and Delaware. There are signs that the "noble experiment" may be consigned to oblivion within a year of the Democrats' taking office. All but six States will have voted on repeal before the end of the calendar year. The unexpectedly large consumption of legalized beer is lending added momentum to the movement to provide new and painless, not to say exhilarating, sources of tax revenue. The Woman's Organization for National Prohibition Reform lists twelve States as "wet," in addition to those which have ratified; six more with "good prospects of ratification"; eleven as "hopeful," including Maine, famed as the "cradle of prohibition"; eight as doubtful"; and three as "dry." Assuming the correctness of this prognosis, the repeal forces can lose the three dry and the eight doubtful States, and still have a margin of one State to spare. The fight will of course grow warmer as the rival forces invade the arid belt. The doubtful and dry States are, with the exception of Idaho, Nebraska, Utah, and Kansas, all Southern, and their historic dryness has been largely due to the desire to "keep liquor from the Negro." But it is extremely probable that Democratic leadership, which, is so definitely committed to repeal as an economic measure, will more than offset local prejudice and tradition.

MAGISTRATE BENJAMIN GREENSPAN of New York City has dismissed the case brought by the Society for the Suppression of Vice against the Viking Press for publishing Erskine Caldwell's novel "God's Little Acre." What is even more important, he accompanied the dismissal with an expression of opinion which gives one more evidence of the fact that the courts are step by step coming to take a more and more liberal attitude toward the whole question of literary propriety. Mr. Sumner, head of the Society for the Suppression of Vice, had protested that no consideration should be given to the defense of the book made by various literary critics, because, so he said, literary critics were to be regarded as "abnormal people." To this Magistrate Greenspan replied: "The court is of the opinion that this group of people, collectively, has a better capacity to judge the value of a literary production than one who is more apt to search for obscene passages in a book than to regard the book as a whole." Thus, in one decision he freed the defendant, established a valuable principle, and administered by implication a rebuke to the professional smut hunters who labor under the strange delusion that their pruriency is "normal."

DOES INJUSTICE grow less because of nearness and long continuance? If not, it does seem sometimes to grow less intolerable—at least to others than the victims. Thomas J. Mooney and Warren K. Billings have been in prison for almost seventeen years, during each one of which it has become more obvious that their conviction for placing bombs on the route of the now almost forgotten Preparedness Day parade in San Francisco in 1916 was obtained by a cooked-up prosecution based on false evidence. Perjury on the part of important witnesses was admitted not long after the trial, and years ago the judge who presided at it, together with nine of the ten surviving jurors, made a request for pardon. Recently a report of a committee of the Wickersham Commission—at first suppressed but finally made public last year—tore the trial to tatters even from a legalistic standpoint. And now Mooney has been acquitted in a second trial based on an indictment not brought into the original proceedings, but practically identical with the one on which he was convicted. The new trial was barren because the District Attorney, who had previously petitioned the Governor for a pardon, refused to prosecute, saying frankly: "The prosecution will not be able to produce evidence that will support a verdict of guilty."

YET ACQUITTAL did not affect the first conviction, and Mooney is still in prison, with only a faint hope of release through an appeal to the United States Supreme Court or another application for pardon from a Governor who has already refused his plea once. The blame rests squarely on the shoulders of smug and callous Californians who, habituated and indifferent to the State's injustice toward Mooney, have created a public sentiment as a consequence of which four of their Governors have found it expedient not to pardon Mooney. Many of these Californians, including leaders of organized labor, admit in private that the trial was a fraud and the conviction unjustified, but excuse their unwillingness to do anything about it with the cynical explanation that if Mooney and Billings were not guilty of the particular crime in question, they are objectionable persons whom it is better to keep behind the bars. But all the world does not feel about this injustice as do smug and callous Californians. To a wider public the prisoners of San Quentin have become a symbol. An increasing number of persons are coming to believe that the kind of legal legerdemain which permits and perpetuates such crying wrong should not and will not be allowed much longer to exist.

ROBERT BRIFFAULT recently warned the Soviet government that its alleged censorship of the Russian classics was too mild. Since, he said, all the literature of the past is saturated with the insane traditions of capitalism, it should for a time be withheld in its entirety from the "new humanity." We do not know what he thinks of Herr Hitler, but he must at least approve his methods when he reads that 500 tons of confiscated books are about to be reduced to pulp and sold to the paper mills. Says Herr Goebbels: "In fifty years nobody in Germany will know what Marxism is"; and we feel that if he and Mr. Briffault got together they might reach a solution of the whole problem similar to that of the Pullman conductor who was told by one passenger that he would freeze if the window was opened and by another passenger that he would suffocate if it was closed. The conductor, it will be remembered, was advised by a neutral to open the window until the first had frozen, then to close it until the other had suffocated.

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Morgan's Friends Must Go

ONLY three months ago Franklin D. Roosevelt was assuring us that the money changers had "fled from their high seats in the temple of our civilization." And now we learn that some of the most intimate friends of these money changers occupy important positions in the Roosevelt Administration. Just what did you mean, Mr. President, when in your inaugural address you indicted the unscrupulous practices of these self-seekers? Were you sincere in your scathing attack upon the bankers, in your promise to restore the temple "to the ancient truths" by applying "social values more noble than mere monetary profit"? If so, the Morgan disclosures have given you an opportunity to translate your stirring words into even more stirring action. For William Woodin, Norman Davis, and the other "good friends" of Morgan and Company who somehow have found places in your Administration should go and at once. To use your own words, they "stand indicted in the court of public opinion, rejected by the hearts and minds of men."

The country was shocked by the news that neither J. P. Morgan himself nor any one of his partners had paid a cent of income tax for the years 1932 and 1931, and together had paid only $48,000 in 1930. Then came the no less sensational revelation that Morgan and Company had been handing out munificent favors to "some of our close friends." Now does anyone really suppose that Morgan and Company did this purely out of charity? Is there anyone naive enough to believe that Morgan and Company is in business for the purpose of distributing largess among bankers, industrialists, insurance officials—and politicians? Some of the Morgan spokesmen seem to think so.

They have declared again and again before the Senate Banking and Currency Committee that the firm really expected nothing in return for these gifts. George Whitney, one of the partners, was especially certain that the head of a big insurance company could not possibly have been influenced by the fact that he had been graciously permitted to buy 2,000 shares of Standard Brands stock at $15 below the current market—an outright gift of $30,000. It was just a coincidence that this man's company happened to have many millions of dollars of other people's money to invest in the sort of securities Morgan has for sale. And when Wallace B. Donham was put down for 1,000 shares of the same stock, it probably did not occur to anybody in the Morgan organization that Wallace B. Donham was dean of the Harvard Graduate School of Business Administration, that training school in which business was to be exalted to a new high professional place. The gift to him amounted to $15,000. How greatly his usefulness as a truth-seeker, as a teacher of youth, as an inculcator of principle, has been impaired! But *that* is a problem which confronts another newly elected president—James Bryant Conant, the scientist who now heads the institution of which Mr. Roosevelt is an alumnus.

How ridiculous to accept, as the majority of the press has accepted, with lackey-like abjectness, the declaration of Mr. Morgan and his partners—their "almost noble" words, to quote Cyrus H. K. Curtis's New York *Evening Post*. Mr. Morgan's efforts are not confined to seeking privileges and favorable legislative exemptions from the government. He is seeking to extend his already wide financial dominion still farther over the country. That is no secret. For example, on the fourth day of the Senate hearings it was frankly revealed that one of the Morgan holding companies, the United Corporation, controls or otherwise dominates gas and electric-light companies serving 55,000,000 of the American people. Moreover, Morgan and Company has elected to remain a private partnership, although under that arrangement each partner is liable to the full extent of his personal fortune. Why? Clearly to escape the governmental regulation to which limited-liability or incorporated banking associations must submit. Such an ambitious and powerful firm obviously must have friends, plenty of them, in both public and private life. It needs friends to smooth the way for some of its financial operations. It needs friends in politics for no less important reasons. So it distributes its favors with lavish hands, for, as the Philadelphia *Record* so pointedly put it, "that's the way the house of Morgan subsidizes key men in private and public life without breaking the letter of the law." The beneficiaries, of course, know the rules of the game. It is only rarely that we find one so untutored as John J. Raskob, former chairman of the Democratic National Committee. When he was "kindly remembered" in the Alleghany stock distribution, he innocently expressed the sincere hope that "the future holds opportunities for me to reciprocate." Doubtless Mr. Raskob knows by now that such things are never mentioned between friends.

Who are some of the Morgan friends? The lists so far published show among others the following: Alfred P. Sloan (automobiles), Richard B. Mellon (aluminum, coal, coke, oil, shipping, banks, etc.), Owen D. Young (electric equipment, electric power), Charles A. Lindbergh (aviation), Walter S. Gifford (telephones), Myron C. Taylor (steel), Walter C. Teagle (oil), Sosthenes Behn (cable and radio telegraph), Marshall Field (merchandising, stock brokerage), Charles E. Mitchell (banking), O. P. Van Sweringen (railroads), F. L. Carlisle (electric power), P. A. S. Franklin (ocean shipping), F. H. Ecker (life insurance), and so on and on, covering virtually every known industrial, commercial, and financial field. Then there are the friends who have been more or less active in public affairs: Calvin Coolidge, John J. Pershing, John W. Davis (once Democratic nominee for President), William Gibbs McAdoo (member of the Senate committee which has been investigating Morgan and Company!), Newton D. Baker, Silas H. Strawn, J. R. Nutt, Charles Francis Adams (until recently Secretary of the Navy), Charles D. Hilles (Republican national committeeman in New York State), Henry Machold (formerly New York State Republican chairman), Seward Prosser, Robert E. Olds (formerly Under Secretary of State), and Arthur Woods (who was President Hoover's unemployment-relief expert for a time).

More important names are included—William H. Woodin, Norman H. Davis, Bernard Baruch, and John Marshall among them. Here are names that should concern

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all of us and President Roosevelt before anyone else. Marshall is associated with a Washington law firm that has handled Morgan business. A member of that firm is Dean Acheson, the present Under Secretary of the Treasury. Mr. Acheson's immediate superior in the government service is William H. Woodin, Secretary of the Treasury. Woodin is charged by law with the administration of the financial affairs of the government. Among his duties is that of "preparing plans for the improvement of the revenue." In this capacity he recommends to Congress changes in the income-tax laws. It lies largely in his power to say whether these laws shall be rewritten so as to compel the Morgans and other money changers to pay their full and just share of the income tax. Assisting him, and in his absence substituting for him, is the Under Secretary, Dean Acheson. Is it possible that President Roosevelt does not grasp the terrible significance of this situation?

Bernard Baruch is one of the more prominent figures in the Democratic Party. He is a heavy contributor to its war chest. Party leaders in Congress as well as the White House depend upon him for advice and guidance. More than that, General Hugh L. Johnson and George N. Peek, who are to be given virtual dictatorial powers in handling the farm and industrial problems, have been intimately associated with Baruch since the days of the War Industries Board. They are known as "Baruch men," and are proud of the fact. Have the implications of this situation escaped Mr. Roosevelt? Norman H. Davis is the chief spokesman of the Administration in Europe. On behalf of the President he has been taking up many pressing questions, not the least of which have to do with war debts, international finance, and foreign trade, all matters of utmost interest to Morgan and Company. Really, Mr. Roosevelt, does this mean nothing at all to you? You have promised to restore the ancient truths. Among these ancient truths, if you will turn to the Book of Matthew, is this: "No man can serve two masters, for either he will hate the one and love the other, or else he will hold to the one and despise the other." The Woodins, the Davises, and the rest, who have taken the bounty of the house of Morgan and have accepted positions of trust in the government, are beholden to two masters. Which will they elect to serve?

If you are the astute politician you are credited with being, Mr. President, you must sense the tremendous effect the Morgan disclosures have had on public opinion. But we hope to think of you, Mr. Roosevelt, and we feel sure that the great mass of the American people want to think of you, not merely as a shrewd politician, a clever appraiser of public opinion, but as a statesman who will clearly, unmistakably, reestablish a standard of honor to which Americans may repair, who will not let friendship or personal considerations cause any deviation from a course of stern rectitude. You must know that Secretary Woodin and the other friends of Morgan in the government no longer enjoy the confidence of the people. And you must know that Norman Davis's usefulness has been destroyed. You have given your word that the money changers would be driven out and kept out of the temple. We want to believe that you were wholly sincere in promising to restore the ancient truths.

Can Controlled Capitalism Save Us?

THE causes of the collapse of the economic structure in the United States were debated in the May 24 issue of *The Nation* by Louis Fischer and Henry Hazlitt. Mr. Fischer attributed the depression to the decline in the earnings of labor in relation to the value of goods produced. "How," he asked, "can the wage- and salary-earners of the country buy back what they produce? They cannot." Mr. Hazlitt, on the other hand, emphasized the complex nature of the causes of the chaos; but fundamentally he blamed the depression on "the inevitable collapse of the artificial war and post-war level of commodity prices."

The debaters stressed different factors but the final conclusions they arrived at were not as different as one might have expected. Both would increase labor's share of the value of the output of factories and farms; both desire a more equal distribution of wealth. Mr. Fischer would accomplish this end first through a capital levy and ultimately through socialism, which would eliminate profits altogether. Mr. Hazlitt looks askance at socialism, not so much because he dissents from the theory on which it rests as because he fears the effects of concentrated power in the hands of "economic illiterates." But by means of Socialist control or otherwise, he favors "an increasing ownership on the part of the workers . . . of the machinery they operate."

We consider this debate of great importance chiefly because of its bearing on immediately impending economic changes. On the very day that the issue containing the articles in question appeared on the newsstands in New York City, the daily press published the text of an industrial-recovery bill designed to give the President the power to corral the wild horses of industry and drive them at a sober trot along the road back to prosperity. Certainly the immediate aims of the Administration, as expressed in this measure, are admirable. The ultimate results are more dubious and should be considered against the background of the underlying problems discussed by Mr. Hazlitt and Mr. Fischer. For Mr. Roosevelt is attempting to preserve capitalism, to save it from itself by robbing it temporarily of several of its most fundamentally capitalistic prerogatives. In order to increase purchasing power, set the wheels of factories in motion, and get men back to work, he proposes forcibly to integrate and coordinate industry. If the measure is passed, he will have the power to tell industry what and how much it may produce, what it may charge for its products, how much it shall pay to labor, what hours labor shall work. Competition is no longer to be "free"; instead it is to be "fair." Industry has been invited to cooperate through its trade associations in this task of rigorous self-discipline; but it is a little like the systems of self-government in vogue in colleges; behind the invitation lurks the threat of force.

On the surface the Administration's proposal would seem to promise a part of what Mr. Hazlitt and Mr. Fischer

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agree is necessary for a satisfactory and secure social order. Labor at least will be assured a greater share of the proceeds of industry, and many of the obvious wastes of uncontrolled competition will be eliminated. Our industrial giants are now so shrunken, so unsure, so wobbly on their pins that they will gladly accept any diet and follow any regimen laid down for them by a reputable doctor. And organized labor, even if its leadership is as dull-witted as it has been and still is, will grab the chance of reestablishing wage and hour standards and processes of collective bargaining that have long ceased to exist except in theory. There will be balky individuals and groups, but these will doubtless be dealt with; Mr. Roosevelt has so far shown no tenderness toward dissenters. We believe that his recovery bill may well produce some of the immediate results the country demands.

If we look upon this proposal dubiously, it is because its ultimate effects seem far less desirable. The law, if passed, will remain in operation for just two years; it is merely a "war" measure. Within that time the victory over depression is supposed to be won. Then the controls set up to govern industry will be abandoned, the machinery of supervision abolished, and the economic system handed back to its proprietors—"the men" (to quote the classic words uttered thirty years ago by the coal and iron king, George F. Baer) "to whom God in his infinite wisdom has given the control of the property interests of the country."

But what reason have we for supposing that our industrialists will emerge from this period of hospitalization chastened and disciplined? It seems not only far more likely, but certain, that they will dash eagerly toward the fleshpots, throwing out the doctor and the diet too. The behavior of business leaders before the collapse, and even their behavior during these last few weeks of tentative recovery, has not been such as to warrant any belief that they will adopt voluntary self-denying ordinances. Like the Bourbons, they have learned nothing and forgotten nothing. The banking and power scandals are merely today's manifestations of the railroad and insurance scandals of earlier decades. Our history repeats itself with a tragic and dreary monotony, but each relapse is an aggravation of its predecessors. To prevent the further repetition of practices which led to our present chaos, and to bring order and stability into modern industry, require *continued* centralized control—and control that is not, like our power regulation, a delusion—over credit, prices, profits, wages, hours, production, distribution. Merely to prevent the downfall of capitalism and create temporary prosperity is not enough. But it is apparently all that the Administration hopes and intends to do.

In saying this we are not leveling any accusations at Mr. Roosevelt. He was not elected to the Presidency to usher in a collective society. He was chosen by a great middle- and lower-class electorate to lead the way back to pastures that look, through the murk of the last three and a half years, much richer and greener than they actually were.

And it is doubtful if such pastures will ever again be found. In his article in last week's issue, Mr. Fischer discussed the reasons for assuming that the end of the period of great capitalist-imperialist expansion has been reached. He believes that capitalism will be driven to take refuge in the domestic market and predicts an era of economic nationalism in the United States. Mr. Moley's radio address on May 20 provided effective corroboration for Mr. Fischer's view. But economic nationalism brings in its train a collection of disturbing consequences—higher tariffs and continued international economic warfare, the probable default of foreign debtors, an increase of bad blood between nations, an even more intense struggle to control the sources of necessary raw materials. And at home such a policy, depending as it must upon centralized supervision of both wealth and labor in defense of the remaining means of capitalist subsistence, heads directly toward economic dictatorship.

It is for these reasons that we qualify our approval of Mr. Roosevelt's scheme of industrial control: either it goes out of existence and exposes the country to another cycle of expansion, speculation, and collapse; or, if it is continued or revived in order to rescue our industrial and financial machine from another and worse debacle, its strangle-hold on industry may well turn out to be a strangle-hold on the national life. Both of these results the people should struggle to prevent. The industrial-recovery bill is a promising first step. But it is no more than that, and public pressure should be used to insure that the government's new powers are continued and employed for the economic good of the masses of the people.

This struggle should be pressed on several fronts: First, labor should use all the power it has to keep hours short and constantly to increase its share in the values it helps to create; it should organize every unorganized line of work on an industrial basis and should refuse to yield or compromise the right to bargain collectively which is guaranteed in the proposed bill. Second, liberal, radical, and labor groups of all shades should combine to guard civil rights and see that necessary processes of standardization and regulation do not encroach upon fundamental liberties of speech and action. Third, an immediate demand should be made that profits in regulated industries be held to a low level, and absolutely eliminated in the banking and currency system, transportation by land and water and air, the fuel and energy supplies—power, oil, and coal—the telegraph and telephone systems, and the radio. These should be taken over as rapidly as possible by the federal government and run in the interest of the people as a whole.

Mr. Fischer has argued that only socialism can give to labor—using the term in the broadest sense—its fair share of the wealth produced by industry. We tend to agree that a collective society offers the best hope for this desirable end, although the process of achieving complete social ownership and the abolition of profit in the United States is so complex that obviously, given the tradition of the American people, it cannot be achieved in a day. Distinctive forms and theories of social control are certain to emerge out of the unique circumstances of our national development. We are therefore not inclined to accept unreservedly ready-made, doctrinaire formulas for achieving ultimate salvation. But since we wish to move toward collectivism as rapidly and as painlessly as possible, we shall examine emergency plans for resuscitating and patching the present moribund system with critical eye. It is far better that the country's steps toward an integrated, socialized industrial society should be deliberate and purposeful than taken grudgingly under pressure of panic or imminent collapse. A much fairer distribution of wealth, a far closer approach to equality of opportunity are attainable in the United States by evolutionary means, and *The Nation* believes that the present Administration's policies should be judged by the degree in which they approach that goal.

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The House of Morgan

With Comment on Its Retainers in and out of Congress

By PAUL Y. ANDERSON

Washington, May 27

SINCE the date is approaching when many of us must pay the June instalment on our 1932 income taxes, or go to jail, it may be interesting and timely to review the cases of two citizens who will pay no income tax this year, and paid none during the last two years. Case Number One is a coal miner, living in a squalid village in southern Illinois. In none of the last three years has his income equaled $600. He is a widower with five children. They occupy a three-room frame shanty on a company "street" which is a mudhole after every rain. The mother is dead. Two months before the sixth child was due to arrive, she made the mistake of trying to do the family washing with water which she carried from the community hydrant, four blocks distant. She had a sixty-dollar funeral. The miner owes the company store more than $200. He is hopeful that things will improve under Mr. Roosevelt, and that the black damp won't get him before the children are old enough to look out for themselves.

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CASE Number Two is J. Pierpont Morgan, head of the private banking firm of J. P. Morgan and Company, which at the beginning of the present year owned unimpaired assets worth $53,194,000. Mr. Morgan has homes at 231 Madison Avenue, New York; Glen Cove, Long Island; 12 Grosvenor Square, London; Watford, England; and owns a shooting box in Scotland. He spends considerable time each year on his famous yacht, Corsair, which is reported to have cost $4,000,000. I have never seen any figures on what it costs to keep her in commission. Mr. Morgan is a member of the following clubs: Union, Knickerbocker, Harvard, Metropolitan, New York Yacht, Racquet and Tennis, Century, and University (New York); Athenaeum, Garrick, and Whites (London); Somerset (Boston); and Metropolitan (Washington). Honorary degrees have been bestowed on him by Harvard, Oxford (England), Princeton, Cambridge (England), and New York University; and he possesses the following decorations: Legion of Honor (France), Order of Leopold II (Belgium), Order of the Crown (Italy), and First Order of the Sacred Treasure (Japan). He is a director in seven of the world's largest corporations, and is generally regarded as the most powerful banker in the world. Great industrialists, great bankers, distinguished jurists, and at least one President of the United States have been recipients of his favors. It is easily seen, therefore, that his situation in life is quite different from that of the coal miner. But in one respect both are in the same boat—neither paid any federal income tax in this country during the last three years—although it should be stated in justice to Mr. Morgan that he paid in England in all three. No doubt that is why he admires and imitates the English, even to the point of referring to the office manager of Morgan and Company as "my clark."

DISCLOSURE before the Senate Banking and Currency Committee that Morgan and his nineteen partners, including such celebrities as Thomas Lamont and E. T. Stotesbury, paid no federal income taxes in this country for 1931 and 1932, and that those who paid for 1930 contributed the paltry total of $48,000, has excited tremendous surprise and no little indignation, to judge from the newspaper headlines and the private comments of one's fellow taxpayers. The revelation was no surprise to me. It confirmed precisely the opinion which I have had about Morgan and all his tribe ever since I have been old enough to read and reflect. For them to seize upon the "capital-losses" provision of the existing law for the purpose of withholding contributions to the support of the government under which they have prospered so greatly, was as natural as for a hog to snap up an ear of corn. Nor was there anything to amaze the judicious in the discovery that high government officials had repeatedly accepted Morgan's largess. The trick of putting such officials under obligation is one which the big bankers have practiced from time immemorial. Doesn't everyone realize by now that we entered the World War mainly because Morgan and Company had bet on the Allies, and were in danger of losing? Is there any mystery as to why the marines were dispatched against Haiti, Santo Domingo, and Nicaragua when those countries defaulted, or threatened to default, on their debt payments to American banks?

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HOWEVER, I do resent, and that most bitterly, the cynical and uncalled-for imputation of Senator Carter Glass that every American citizen who makes out an income-tax return is dominated solely by an ambition to chisel the Treasury out of every cent possible. Let the honorable gentleman—who is so prone to judge the honor of others—speak for himself in the matter. This reporter could have taken stock losses in the last two years that would have cut his tax in half. It would have been legal, no doubt, but on the moral side it would have been a plain case of cheating the government. This reporter did not resort to it, and knows plenty of other reporters who did not. We have our faults. Some of us lose more than we can afford at golf, bridge, or poker; some indulge an extravagant passion for old furniture or rare editions; still others punish their livers unbearably with poor rye, bad Scotch, and worse gin; but it is manifestly unjust, if not libelous, to name us in the same breath with Morgan, Lamont, Stotesbury, Mitchell, and that gang. I am reminded, incidentally, of the severe lecture which Mr. Lamont read to the Senate Finance Committee eighteen months ago on the deficiencies of Congress. He was thoroughly dissatisfied with the manner in which the country was being governed. In the light of facts recently brought to light it would appear that he might have done better to leave criticism of the government to those of us who pay the costs.

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IT is difficult to say which is the more scandalous—the practices of the Morgan crowd, as disclosed by the inquiry, or the efforts of Senators Glass, Bulkley, and other members of the committee to prevent their disclosure. One would suppose that Morgan was amply represented in the person of John W. Davis, but every conceivable device—some of them incredibly petty and mean—has been employed by certain members of the committee to hamstring Ferdinand Pecora's conduct of the investigation. But for his unflagging industry, patience, and pertinacity, and the wrathful insistence of Senator Jim Couzens, virtually none of the known scandals would have come to light. Just how much the obstructionists have succeeded in suppressing, we can only guess. As compensation for his herculean labors, Pecora is receiving from a grateful government the handsome salary of $225 a month, and to obtain accountants for the necessary examinations he has been compelled to appeal to personal friends to work at approximately one-fourth of their regular rate of pay.

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IT has been shown that the Morgan firm had a certain selected list of "clients" to whom it sold stocks at figures substantially under the market price. In the case of the Alleghany Corporation, these fair-haired boys got the stock at 20, when the market was 35. Thus, if 1,000 shares were allotted to a certain individual, it simply amounted to making him a cash gift of $15,000 if he elected to sell the stock next day. Such a gift to a government official by a firm constantly seeking government favors certainly was moral bribery, although I suppose a court would hold it legal, especially if the presiding judge had received a similar gift. Please note that the motion to make these lists public was carried in the committee by a vote of six to five. In view of the fact that Senator McAdoo's name was on one of the lists, and considering that he is a member of the committee, it would be instructive to know how he voted. The presence of the name of my old friend Mr. Justice Owen Roberts, of the United States Supreme Court, grieves me profoundly. To be sure, the amount of stock allotted to him was small, and the allotment was made long before he went on the bench, but it is disappointing to learn that he would accept such a favor from such an outfit. To find the names of Secretary Woodin, Owen D. Young, John J. Raskob, and the late Calvin Coolidge there is perfectly natural. It is equally natural to find the front pages of the Hearst papers smeared with the drool of Edwin C. Hill, celebrated sob sister of the radio, who modestly likens the thick-necked Morgan to Lorenzo the Magnificent, paints Pecora as a snarling "timber wolf," and declares that the examination of Morgan suggests the efforts of a high-school class to question Einstein about the solar system—although the actual news accounts convey the impression that the examination has been fairly successful. But don't judge the rest of us by Hill—he is very carefully looking out for himself.

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WHILE we admire Pecora's brilliant work, we should also remember that it was made possible primarily by President Roosevelt's request that the inquiry proceed. Nor let us forget that many of the most shocking facts thus made public were known to officials of the Coolidge and Hoover Administrations. Is it any wonder that old Andy Mellon squalled like a panther at every suggestion that income-tax payments be made public? Is it any wonder that Ogden Mills became purple over such attempts to "pry into private affairs"? They knew where the cat was buried, and whose cat it was. My strictures on public men and affairs during the last six or seven years have occasionally been imputed to an unduly suspicious nature. Before the present Administration finishes digging up the dirt left by its predecessors, I surmise that the same critics will be denouncing me for not having told just how rotten the situation was. The answer is that the stuff was there, but it was very, very hard to lay hands on it. One always knows when a skunk is around, but it is not always possible to get a shot at it.

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NOW for a few random notes: The latest "bonus army" has staged its show and peacefully departed—the latter being largely due to the superb tact and skill of two Presidential secretaries, Louis Howe and Stephen Early, and to the reasonableness of an overwhelming majority of the marchers themselves. This should end such demonstrations. It is perfectly obvious that Congress will not vote to pay the bonus and that Roosevelt would veto the bill if it passed. The government cannot continue to provide here for a special class of the unemployed: relief must be on a national scale without regard for previous military service. . . . The harsh opinion heretofore expressed in this place toward the railroad bill is somewhat modified by the reflection that it is a temporary measure, and by the hope and belief that if Commissioner Eastman is made Coordinator, he will work out a plan of reorganization that will be worth while. Nevertheless, it is a spotty bill. Its main promise offers through Eastman, and it is slightly disturbing to note that his interpretation of its provisions conflicts at important points with those offered by the coauthors. . . . The public works–industrial control bill has now been expanded to colossal proportions in the House by the inclusion of a tax section calculated to bring in $220,000,000 to defray the financing of the public-works section. Next to a general sales tax, the new levies would be as unfair and burdensome as any yet proposed. The bulk of the new revenue would be obtained by raising the present normal income taxes; that is, by adding to the burden of those who already bear most of it. The Morgan revelations have made it perfectly plain that what we really need is a capital levy, which would present the twin virtues of obtaining an ample revenue to finance all the government's undertakings and squeezing the fat cats who have studiously avoided their duty to the nation. Whether the Roosevelt Administration can harden itself to take such a step is doubtful, but I suspect that the new taxes will be revised in the Senate. You and I may not particularly mind the fact that we are paying more federal income taxes than J. Pierpont Morgan and all his nineteen partners combined, but it does seem reasonable that they should be required to pay something before we are required to pay more. This might cause Mr. Morgan to miss the grouse shooting for one season, or perhaps two, but even that cruel hardship might be endured if it helped to put 13,000,000 hungry men back to work. There is a principle involved, and Mr. Morgan is hell for principle—he was very emphatic about that before the Senate committee.

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Chaos in the Oil Industry

By GEORGE WARD STOCKING

THE oil industry, under a self-imposed system of controlled production called proration, seemed until recently to be headed back toward prosperity. "The oil industry gives indication of being the first basic industry to emerge from the world depression." This was the optimistic message contained in the October report of the federal Oil Conservation Board, and for some time previous leaders of the industry had been giving public utterance to similar sentiments. What was the evidence? Mid-continent crude-oil prices at the end of the first half of 1932 were at more than twice the levels of a year previous; they were five times the lows of 1931. Consumption of crude oil during the first half of 1932 was more than 89 per cent of that for a similar period in 1929, when domestic consumption reached an all-time peak. It was more than 94 per cent of the 1931 figure. Gasoline consumption had shown an even better record; it set a new peak in 1931 despite the depression, and in the first six months of 1932 showed a decline of only 8 per cent compared with consumption during the same period of 1931. Of equal importance, the f. o. b. Gulf terminal price of sixty-five-octane gasoline advanced from slightly over three cents a gallon in the summer of 1931 to slightly less than six cents in the summer of 1932, an increase of approximately 75 per cent. What other major industry could boast a similar record?

Now, however, the oil industry has again been thrown into chaos. Proration orders of the Texas Railroad Commission have been held invalid, the Texas militia has been withdrawn from the East Texas field by order of the Supreme Court of the United States, "bootleg oil" has been produced in ever-increasing amounts, pipe-lines have been dynamited, and human lives threatened. The price of oil has responded promptly to these various influences; its upward trend has been sharply reversed; and leaders of the oil industry, formerly individualists of the most rugged sort, have been urging that the broader powers of federal and State governments be placed behind the industry's program of control.

Since Drake completed the first commercial petroleum well in this country in 1859 until the present time, oil production has been accompanied by waste on a spectacular scale. The waste has been widespread and notorious. It has rankled in the mind of the oil-field engineer and harassed the spirit of the conservationist. For many years, however, it did not disturb the equanimity of the business leaders of the industry, who were able to reap profits, frequently on a grand scale, because of the expanding demand for petroleum products. Despite the indifference of business men to the profligate manner in which our petroleum resources were being developed, a petroleum shortage during the war emergency accentuated the fears of the conservationists, gave rise to a general apprehension of petroleum shortage, quickened the activities of the State Department in protection of American oil interests abroad, and led eventually to the creation of the federal Oil Conservation Board. Immediately after its organization, the board began an investigation of the oil industry for the purpose of determining the extent of waste and means of checking it. The industry's response to this move, through the Report of the Committee of Eleven of the American Petroleum Institute, was a denial of waste, assurance of the ability of the industry to provide adequate supplies of petroleum during all time, and insistence that the industry only needed to be left alone.

That was in 1925. Since then the wail of the conservationist has been drowned by a flood of oil. The fear of shortage has gone down before the fact of surplus. Long before the present depression leaders in the oil business, untroubled by the record of waste in their industry, became seriously disturbed by accumulating oil stocks and declining prices. As the situation became more acute, the vision of the oil men was clarified. They saw what in the glaring light of rising prices had been hidden from view—waste in the production of oil. The truth began to be apparent during 1927. Accumulating stocks for more than half a dozen years had so weakened the oil price structure that it could not withstand the shock of the Oklahoma Greater Seminole field's peak daily output of 527,400 barrels. Between the discovery of the Seminole field a year earlier and August, 1927, prices of mid-continent 36°-gravity crude dropped from $2.29 per barrel to $1.28. The throes of Seminole foreran the birth of a conservation idea. It was christened proration. The child has grown large. Today its influence dominates oil production.

Uncontrolled production, we have been told recently, means the rapid infiltration of underground water and the premature drowning of oil pools. It means the wasteful dissipation of gas pressure, essential for maximum recovery. It means, through lower prices, the permanent destruction of thousands of "marginal" wells whose daily production, though individually small, accounts in the aggregate for about half our daily output. The predestined mission of proration is the elimination of these wastes. Such is its cloak of righteousness. Stripped of its disguise, it presents a different picture.

To bring the Seminole field under control and to restrict output to "market demand," a plan was put into operation involving the allocation of a daily "allowable" output to the various producers of the field. While Seminole was thus being subjected to a "rational" control, a proration program similar in purpose and character was being established in the Winkler field of West Texas. These initial voluntary efforts of the oil industry proved futile, however, in the face of a property system which placed a premium upon waste and which legalized robbery in the exploitation of an oil field. Since voluntary control was threatened with shipwreck upon the rugged rocks of individualism, an appeal was made to existing State conservation agencies to put the authority of law behind the industry's "conservation" program.

With the assistance of the Oklahoma Corporation Commission and the Texas Railroad Commission machinery was eventually established whereby all the fields in these two States were subjected to a proration program under which a total allowable output for the State and for each of its pools was determined. This "allowable" was then allocated

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among the various pools and wells of the State on an "equitable" basis as determined by the producers of the pools. By 1931 a somewhat similar system had been established in the States of Oklahoma, California, and Kansas, which together with Texas produced approximately 86 per cent of the total domestic output. By means of specially devised cooperation among producers and with the assistance of the State militia in Oklahoma and Texas, despite the violent though temporary disturbance occasioned by the East Texas and Oklahoma fields in the summer of 1931, production was temporarily brought into balance with demand.

When the oil men have known what they wanted, the conservation agencies have given it to them. But there has sometimes been a conflict of interests. Operators fortunately situated within a particular field, realizing that the major advantages of curtailed output would be at their expense, have opposed proration. Likewise, refineries dependent upon the production of particular wells for their daily crude supply have found their interests running contrary to those of the larger companies. In general, small, independent producers in flush fields, whose profit possibilities may depend upon rapid development of their holdings, have been reluctant to accept the proration program. Where these conditions have existed, the conservation agencies have acted as umpires in harmonizing conflicting claims. A compromise figure having been agreed upon, it was customarily declared to be the precise and only amount of oil which could be produced without waste, and an order was issued prohibiting production in excess of this amount and allocating the allowable among the producing wells. In the late summer of 1932 independent East Texas producers, alleging that curtailment had been largely at their expense for the benefit of producers in other sections of the State, agitated for an increase in East Texas allowable and a decrease in the allowable of certain other pools of the State, in order that the balance between output and market demand might not be disturbed. Experts of the commission testified on this occasion that a decrease in production of certain pools could be effected only at the expense of physical waste. A few weeks later, however, when the seasonal peak of gasoline demand had passed and reduction in total State output was necessary to avoid price declines, these pools participated as a matter of course in a State-wide decrease in daily allowable of more than 127,000 barrels.

With the passing of time opposition to proration almost completely disappeared, save in the East Texas and Oklahoma City fields. Through threats of price cuts and promises of price advances recalcitrants have been temporarily whipped into line. Advancing prices, temporary though they proved, brought additional revenue into sorely straitened State treasuries, poured greater profits into the coffers of oil companies, and increased confidence in the hearts of the business leaders. Proration had accordingly come to be regarded as an act of statesmanship. More important, in the case of Champlin Refining Company *vs.* Corporation Commission of Oklahoma, the Supreme Court of the United States in a unanimous decision in May of 1932 placed the stamp of legality upon the program as applied in Oklahoma. As the masquerade of monopoly which the industry has staged has received such generous public applause, proration has now put on less modest garments. Not only is it called a measure of conservation, but it is said to afford a mechanism of escape from the economic depression which is so sorely troubling us.

Although the program has incidentally contributed to the elimination of waste in oil production, the chief wastes of the industry continue but little abated. In some instances, a controlled rate of production has doubtless resulted in a more efficient utilization of water pressure. On the other hand, in some instances, a controlled rate of production has no less certainly contributed toward a less efficient utilization of gas pressure. Because the property tract instead of the geological unit remains the basis of operation, and because individual profit rather than efficient production is still the object of oil operations, waste in this respect continues to bulk large. On October 31, 1930, the latest date for which data are available, 467,753,000 cubic feet of raw gas were being wasted directly, and an additional 595,562,000 cubic feet were being wasted after the gasoline content had been extracted, out of a total daily production of 2,045,828,000 cubic feet of gas incidental to oil production in Texas. For other States total figures are not available, but according to estimates of the Oklahoma Corporation Commission last year the Oklahoma City field alone was wasting about 203,000,000 cubic feet of residue gas daily. The annual fuel value of this gas, calculated from these combined figures, is equivalent to that of 18,868,000 tons of coal. Far more important is the fact that under a genuine conservation program, with a unified system of oil production, virtually all of this gas could be used for repressuring purposes, with a tremendous though indeterminable increase in oil recovery and a huge decline in the cost of producing oil. As daily output in the East Texas field was restricted from approximately 1,000,000 barrels of oil per day to approximately 310,000 barrels, the number of producing wells increased from 1,625 to 9,300, with an increase in developmental cost of more than $100,000,000. The only thing that can be said with certainty about a "conservation" program of this sort is that it has increased tremendously the cost of producing oil in this field.

As conservationists, the leaders of the industry have indeed been tilting at windmills. Behind a camouflage of conservation they have endeavored to carry through a program of price-fixing. In the language of the District Court of the United States for the Eastern District of Texas in a case involving the legality of the proration orders of the Texas Railroad Commission: "Under the thinly veiled pretense of going about to prevent physical waste, the commission has, in cooperation with persons interested in raising and maintaining prices of oil and its refined products, set on foot a plan which, seated in a desire to bring supply within the compass of demand, derives its impulse and spring from, and finds its scope and its extent in, the attempt to control the delicate adjustment of market supply and demand, in order to bring and keep oil prices up" (*sic*).

The increased purchasing power in the hands of the oil industry is secured at the expense of approximately twenty-five million users of automobiles in the United States. It represents a transfer of purchasing power from those who have little to those who have much. To the extent that it remains in the treasuries of the oil companies it may add chaos to confusion by contributing to the further expansion of an industry whose chief ailment is overexpansion. To the extent that it is paid out as dividends it will represent a concentration of purchasing power in the hands of a few at the expense of the many. It will thereby serve to aggravate a

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depression one of whose major causes, at any rate, has been maldistribution of purchasing power through oversaving. As a guide from the valley of depression to the plateau of prosperity, proration is apt to prove a chimera and a nightmare.

Despite this fact we seem to have launched irretrievably upon a program of regulation for the oil industry. In truth, the abandonment of proration in the light of the potentialities of East Texas might bring demoralization if not ruin to the industry. This field is the most stupendous in the history of oil production. Because of its geographic extent and the widely disseminated character of the property holdings it is known as "the little man's paradise." With more than 9,000 wells in operation, it was estimated that two hours' open flow would yield 3,000,000 barrels of oil, approximately 50 per cent more than the daily consumption of the entire country. Later estimates indicate an even larger potential yield; but even if this rate were maintained, in less than one month East Texas alone could more than supply the annual American demand. Because of the large potential production of many wells and of the Texas marginal-well law, it has thus far proved impossible to frame proration orders which the courts will uphold. The withdrawal of the militia has further complicated the industry's attempt to restrict output. The threatened breakdown of proration in this field was responsible for the conference of the oil industry in Washington and its request for federal intervention. What the outcome will be is not yet clear. But despite the obvious shortcomings of the oil industry's program, what should be clear is that unrestricted competition in mining a migratory mineral whose ultimate recovery is dependent upon efficient utilization of gas and water pressure causes intolerable waste. Unrestricted competition, which carries with it the right to drill as many wells as the property-owner may deem expedient and to locate them wherever he wishes, not only greatly increases the cost of producing oil, but decreases ultimate recovery of a limited natural resource by perhaps 50 per cent. It leads inevitably to the confusion of surplus capacity and overproduction. In view of these facts, there seems to be no turning back. The way out lies straight ahead. What is needed is some sort of unified operation of oil fields, designed to eliminate needless duplication and to insure an efficient utilization of the pressure resources in oil recovery. Any program which achieves this end must obviously carry with it adequate assurance that the consumer will be protected from unreasonably high prices for petroleum products. In no other industry is the challenge to social control so striking, or the potentialities so rich. Here is a real opportunity for a new deal.

Revolt Against Hitler

By JOHN GUNTHER

Vienna, May 12

THE net result of Hitler internationally has been to make Germany just about as popular as it was in the years from 1914 to 1918. Ten weeks of madness have, by knocking revisionism into a cocked hat, nullified the results of ten years of progress. Around the borders of Germany from Strasbourg to Danzig Hitlerism has produced anger, distrust, disgust, and fear. It is not merely the beating up of a few hundred or a few thousand Jews or Socialists or Communists that has achieved this remarkable metamorphosis, this conversion of a gradual growth of friendship toward Germany into enmity and alarm. It is something radically deeper. It is a latent fear of militant Germany, a fear of incorrigibly belligerent Prussianism, a fear, in short, of Germany going to war again. A positive religion of prewar militarism and brutality is flashing through the Reich, plus a semi-mystical absorption of the nation into a fanatic unity of creed that recalls, in some respects, the growth of communism. Very apt is the French pun dubbing the Hitler regime "Boche-vist."

France is united as never since the war, because, as it was put brilliantly, the right hates Germany and the left hates Hitler. Great Britain is unloosing speeches by Lloyd George, Lord Grey, and other ministers that make one think one is reading Hansard in 1913. The Poles are terrified. Soviet Russia is on good terms with France for the first time in years, and for the first time in history has come to regard Poland as something more than an international nuisance—it sees Poland as a comfortable block of land between itself and Germany. The Dutch and Scandinavians are filled with disgust. Even Italy is not so warm in its brotherly fascist greetings. Mussolini, it will be noticed, has not absolutely deluged Hitler with invitations to come to Rome. This is the brilliant record of the Nazis in foreign policy to date.

In Central Europe, the old heart of the storm, the old international pivot, Hitlerism has produced its most suggestive results so far. There is confusion amounting almost to chaos in the politics of the Danube basin since the advent of Hitler. But out of the mess some main trends are discernible. First, Hitlerism itself shows growth among all Teutons. The creed seems irresistible to those superhumans to whom Jews, professors, pacifists, Socialists, radicals, liberals, and democrats are subhuman. Czecho-Slovakia contains something over 3,000,000 Germans, and although the canny Czech government is suppressing Nazi ideas thoroughly, about one million out of the three are probably already Hitlerites. Germans in Hungary are Nazis when they are not Jews. Even the Swabians in Rumania and the semi-Germans in Bukovina feel the Swastika itch. Austria is, of course, quivering on the brink, but of Austria more anon.

Secondly, Hitlerism has served to impair democracy almost everywhere and to grease the elbows of the dictators. General Gömbös in Hungary, till lately something of a fascist himself, is blinking with amazement at the sedulous support given him by his erstwhile liberal enemies. The spectacle of Jews looking to Gömbös as a protector is rather comic, but such are the miracles that Nazism has brought to the world. Similarly in Jugoslavia King Alexander probably has Hitler to thank for staving off a revolution. No one has time or energy for the luckless Croats now, with oppression in Germany so infinitely more tragic an issue. Besides, the Croats seek to change the peace treaties and Hitlerism probably

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means freezing most of the present frontiers indefinitely. Even in more or less democratic countries, like Austria, dictatorial forces are strengthened, because the common people prefer any local strong arm to the Nazis, and even Social Democrats, by and large, are nowadays supporting right governments, covertly if necessary, as their best defense against the *Hakenkreuz* danger.

Thirdly, Hitler, the Big Brother of the Oppressed, has become radically unpopular with some of the gentlemen, like Gömbös in Hungary, who were his former diplomatic campmates. The reason is that Hitler has completely discredited the doctrine of revisionism on which they fatten. Germany, by its bulk, was the leader of the revisionist countries. Until Hitler came, there seemed some chance of fairly imminent revision of the treaties. Now all that is over. No one not a maniac would give an inch of the Polar Cape to Germany. And Hungary and Bulgaria, minor Powers with revisionist programs, innocently suffer.

Fourthly—something more positive—Hitler may unwittingly and inadvertently produce amelioration of some of Central Europe's oldest quarrels. The other day in Prague I saw several fairly eminent gentlemen almost whooping for joy at the chance the Nazis have given them. Now for the first time since 1919, these gentlemen say, there is a certain parallelism between the interests of the Little Entente and those of Hungary—in fact, between those of the Little Entente, Hungary, Austria, and even Italy. All fear Hitler. All are bound by that efficacious cement, apprehension of a common putative enemy. This is the time par excellence, say these gentlemen, for the Danube countries to get together. Scrap the old revisionist versus status quo grouping of the Powers and form a new line-up. Let the Czechs and Hungarians shake hands and call it a new day. Later in Budapest I found that Hungary did not welcome this notion quite so warmly, and the Czech wish is certainly father to the thought; but it may bear careful watching.

Similarly the Little Entente feels that Hitlerism presents a perhaps never-to-be-repeated opportunity for an Italo-Jugoslav rapprochement. Jugoslavia, the weaker state, has always been ready to make terms—on good terms. The trouble so far has been a quid pro quo for Italy. Well, let the Jugoslavs agree formally to the present Italian semi-suzerainty over Albania. Let the Jugoslavs promise assistance if Germany, swallowing Austria, should also try to swallow the 600,000 Germans in the South Tyrol. I have reason to believe that very serious private negotiations may soon begin in this direction. Dr. Benes, the Czecho-Slovak Foreign Minister, might even be prevailed upon to go to Rome in behalf of the Little Entente for a general wampum festival.

But first the amazingly confusing situation in Austria must be got over. This is the first point of attack. The obvious next victim of Nazism (except possibly Danzig) is Austria, and if the Nazis capture Austria most of what is written in this paper is not worth a hoot. The situation will have enormously changed. Wilhelmstrasse will be at the gates of Budapest. Mitteleuropa will be an incipient reality. Goebbels and Göring will gaze directly into the plains of Lombardy. Thus the great importance to the civilized world at the moment of a man four feet eleven inches high named Dollfuss.

Can little Dollfuss do it? Can little Dollfuss, Chancellor of the Austrian Republic, keep the Nazis out? Of course even the Nazis are not crazy enough to want, at the moment, a de jure Anschluss. This, which would force a diplomatic trial of strength like the one which turned out so disastrously for Germany following the customs-union debacle two years ago, is something for which they are not yet ready. What they want is simply a Nazi government *in* Austria. This would constitute a de facto Anschluss very difficult for the Powers to attack. Frauenfeld, the Nazi leader in Vienna, has publicly disclaimed desire for a formal union.

Of Hitlerite strength in Austria there is no doubt. The Hitlerites would sweep the country in an election, as the recent poll at Innsbruck showed. Starting from scratch three years ago Frauenfeld has built up a formidable organization. He says he is getting more membership applications than he can print blanks for. He has obliterated the historic Pan-German Party. He has five newspapers, one of which commands the largest circulation in Austria. He has a new Brown House which cost 400,000 schillings. The Styrian Heimwehr has joined him.

On the other hand, the very vigor of the Nazi onslaught has produced a certain rebound. The Viennese are civilized and sophisticated folk proud of their easygoing helplessness, and they do not like to be bluffed or bullied. The Social Democrats are more or less behind Dollfuss, because Dollfuss is after all preferable to Hitler. Dollfuss is in an interesting strategic position, and his popularity in the country seems to be growing. Being agile, he hopped to Rome to counteract Papen-Göring; being shrewd, he found a brilliant pretext for banning Brown Shirt uniforms in a story alleging Nazi plans for a Putsch on the Bavarian frontier. But can any single Austrian withstand the Hitler torrent?

There are about five things that Dollfuss must do to keep the Nazis out: (1) Avoid elections and keep the parliament hamstrung; (2) conciliate the Social Democrats so far as possible; (3) restrain his own auxiliaries, the Heimwehr, from going Nazi or provoking the Social Democrats (the Heimwehr lads are almost as much a liability as an asset to little Dollfuss and it is a pity he is entangled with them); (4) watch carefully for treason in his own Christian Social Party; (5) trust Mussolini.

On Italy, in fact, a great deal depends. Odd that the First Fascist should be Austria's best guaranty against the new fascist danger from the north; but Mussolini, dreading Anschluss, which would bring Prussians to the Brenner Pass and Trieste, has apparently told Papen-Göring to keep hands off in Austria, and Dollfuss came back from Rome with moral backing of the utmost value. There is always, on the other hand, possibility of a German-Italian deal. Frauenfeld talks wildly of "giving" Italy "Nice and Corsica." But luckily for Europe—it makes one rather dizzy to write this—there still exists the French army. Meanwhile, prospects of war aside, an Anschluss would seem inevitably bound to push Italy into the arms of France.

I have said that Hitlerism has killed peaceful revisionism. This is true so far as Germany is concerned. But it is also true that in some minor matters the smaller countries—Czecho-Slovakia and Hungary, for instance—might, faced with a common Hitler danger, come to some reciprocal arrangement for local, limited revision. This is the clear meaning of the April 25 speech of Dr. Benes. He openly asks the creation of a new Central European entity to include Austria and Hungary, and names his terms. They are severe. But it is not impossible that Danubia may some day accept them.

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American Expatriates

By MARTHA GRUENING

> Look, we pay 60 lire a month for this house, 25 lire for the servant, and food is very cheap. You could live on 185 a month in plenty and be greeted as "Signoria" when you went out together. It is the same as "Guten Tag, Herrschaften." That would be luxury enough for K.
>
> "The Letters of D. H. Lawrence."

A STORY about a Negro, which doubtless has its equivalent in Irish, Jewish, and Scandinavian dialects, relates that the principal character, tearing down a road with a wildcat in hot pursuit, replied to someone who asked where he was going: "Boss, I ain't going to. I'se coming from!" This story seems to be applicable to American expatriates as I knew them abroad in the years between 1923 and 1932. Most of them could have been divided into those who were going to Russia and those who were merely coming from prohibition, the high cost of living, red raids, the post-war boom, or the depression, or were taking advantage of the rate of exchange to escape from some personal problem or to seek a change of scene. Exchange was, in nearly every case, the magic key which enabled them to fulfil some long-cherished wish, such as the study of art or music abroad, a painless Paris divorce, or protracted psychoanalytical conversations in Vienna. My own observations were chiefly of this latter group—I was, in fact, one of them—with only occasional glimpses of those more purposefully bound for the Soviet Republics.

Expatriates, even in those years, were not a new phenomenon. What was new about them was their unprecedented number and, to some extent, their psychology. American colonies have existed for many decades in such centers as Paris, Rome, and Dresden, but the American expatriates who composed them were not so much Americans as cosmopolitans, members of powerful financial and social groups, dividing their time between the capitals and resorts of two continents. These groups still exist, revolving round the embassies of their respective cities, supporting American churches, clubs, and at least one American dentist, and supplying the major news items for the hard-pressed society editors of the Paris *Herald* and Paris *Chicago Tribune*. In almost every case, such a nucleus will have a small surrounding fringe of Americans who have gone native—usually through marriage—whose ambition is to be more French than the French or more English than the English. The chief occupation of the latter group is blushing for their cruder compatriots. And while they sometimes, more or less reluctantly, initiate a carefully chosen few into the mysteries of the older civilization, they are generally far more concerned with excluding the majority.

These older American expatriates lived charmingly abroad for comparatively little, because, even in the old days, the cost of living in most European countries where they were found was lower than in the United States. The newer American expatriates lived fabulously by grace of the exchange, which, especially before October, 1929, far outweighed any rise in the European cost of living. In those golden years—and to some extent today—the delightful Paris flat or studio, the charming, many-windowed, balconied villa set in its garden in Pau or Mallorca or Sicily, cost less than a New York hall bedroom overlooking an airshaft. The excellent food and wines, the efficient, tireless, underpaid servants, and the accompanying "Signoria," "Herrschaften," or "Monsieur-'dame" were procurable at correspondingly low prices. But while older American expatriates lived formerly very much as Europeans did, according to their comfortable or slender means, the new expatriates enjoyed not the European scale of living, but a very different thing—the scale of living in Europe made possible by the American job or the American income.

The American job is of course far scarcer than it was. The European job held by an American—except in Russia—is practically non-existent. In France, at least, the American job was once fairly frequent. American expatriates in European centers were newspaper correspondents and business executives. They were secretaries or stenographers in American banks and business houses at salaries that appeared fabulous to their European friends. They were teachers for varying periods in American schools, or workers in semi-philanthropic institutions like the American Library in Paris or the American Hospital. Sometimes Americans had jobs in the corresponding European establishments on salaries which their European fellow-workers considered more or less adequate, but which they stretched into a living wage only with considerable ingenuity. But not all expatriates had jobs. Many were free-lance writers. Many were artists and writers living on advances or on the more solid fruits of past work. Others, especially if they were students, lived on income or remittances from home, or on the leases or subleases of their American dwellings.

There was a pretty constant floating population, too, of traveling-scholarship holders and of Guggenheim and other foundation fellows whose endowments enabled them to settle in Paris or on the Riviera, in Spain or on the northern coast of Africa, and produce travel articles and books, novels of farm life in Wisconsin and Iowa, and biographies of Civil War heroes and Indian braves. There was also, at least in Montparnasse, a group of Americans that had no visible means of support and lived quite obviously by their wits, panhandling and sponging and acting on occasion as "guides" for sucker tourists, which meant actually as touts for conniving hotels and shopkeepers. And there were also a certain number of creative workers who not merely lived on their incomes but put them to work in such courageous artistic and business ventures as Sylvia Beach's Paris bookstore, Shakespeare and Co. They made theatrical experiments, set up English-language presses, and published lively, sometimes short-lived, but also frequently resurrected magazines like the *Transatlantic Review, transition,* and *This Quarter*.

And families came too. Parents who wanted their children to learn languages painlessly—parents interested in the modern schools of Europe, who attended the stimulating conferences of the New Education Fellowship and then went out in search of *écoles nouvelles* and *freie Schulgemeinden,*

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Decroly, Montessori, and Europeanized Dalton schools. Or they might be parents momentarily beset with doubts about the freedom of modern education, whose children were landed by that swing of the pendulum in the organized routine and discipline of a lycée, which, by its very contrast with all they had known, became a new and exciting adventure. Here they wore black aprons like their French schoolfellows, conjugated verbs or recited the *départements* of France by the clock at the exact moment when some other hundred thousand children throughout France were similarly engaged, collected little chocolate pictures (just as we did thirty-odd years ago), encountered a strange subject called *solfège,* and sometimes an amusing one known as "Engleesh," which a small American boy I knew said went like this: "I 'ave, you 'ave, 'ee 'azz."

Even parents who pricked up their ears at the slightest suggestion of anything "modern" in education sometimes also had a wistful and old-fashioned feeling for the comparative simplicity and stability of European child life, and sought an escape here for their children—escape from the excitements of school and social life at home. Just how far this was appreciated by the children is another story. It was an adult taste that thrilled immediately to the charming simplicity of Youth Movement costumes and amusements, to the substitution for automobiling of hiking, bicycling, and other forms of *Wanderung,* and to a youthful existence devoid of movies and radio. For the average American child all this meant considerable adjustment. But there were compensations. There was, for one thing, the easy and exciting change of scene possible on successive holidays; the easy accessibility, from almost any point in Europe, of mountains for winter sports and of sunny beaches; the possibility of summers spent among the bright-colored sails and fishing nets of Basque or Breton fishing villages, of walking trips in the Black Forest; of journeys in a *Faltboot* down the Rhine, the Elbe, or the Danube; of seeing both such modern marvels as the Deutsches Museum and such medieval miracles as Chartres and Carcassonne. The possibility, as Katherine Mansfield put it in one of her letters from Switzerland, of waking that morning with a feeling for Italy . . . and sitting that night in the opera house in Milan . . . "the wonderful feeling that one can lean out of heaven knows what window tonight, one can wander under heaven knows what flowery trees. The wine bottle is a new shape. A perfectly new moon shines outside."

It was this combination of change, or rather the possibility of change, with the stability of old and rooted civilizations that for many expatriates gave life abroad its particular savor. Short of being penniless or absolutely tied down, you had an almost unlimited choice of environment. When you felt epicurean or wanted to see good painting, you chose France. If you wanted good music and interesting theatrical innovations in those pre-Nazi days, it would be Germany. When the dark winter set in in Paris or London, it was only an overnight journey to Provence, and when you had had enough of being a lizard in the dry white sunshine of southern France or Italy and longed for soft, moist spring air and unforgettable green grass and flowers, you crossed the Channel. In all these places you found a kind of beauty, an individual, hand-made flavor, and an atmosphere of comparative leisure conducive to appreciating them which are not to be found, or found only in exceptional cases, in America.

I am aware that this statement is open to challenge, but I stand by it. Like everyone else, I knew expatriates abroad given to "God's countrying," who never wearied of yearning for the New York skyline, steam heat, ice water, and the American climate. Some of us, however, prefer our cities horizontal and incredibly sprawling to vertical and incredibly congested, and find a sudden Fata Morgana glimpse of Montmartre, white and dreamlike, on the Paris horizon more thrilling than a crick in the neck beneath the Empire State Building. We became hardened to chicory instead of coffee for breakfast and to the meager amount of *chauffage central* that French innkeepers and concierges supply, and thought that in New York, at least, the benefits of a sunshine not to be glimpsed before noon in the canyons of the lower city were somewhat exaggerated. Who in his right mind would not prefer a lunch hour spent under the trees of a sidewalk cafe, with time enough over to poke about the bookstalls on the quays, to a three-decker sandwich gulped at a drugstore with the smell of disinfectants and hot-water bottles? Who would not rather go to and from work in a *bâteau mouche* than sweat and struggle for a strap in the New York subway? (I admit this was not possible for all Parisians, only for residents of certain districts and from March to November, but even the Paris métro and the London underground, for some reason, are less ferocious and oppressive than the subway.)

One's eyes and ears were constantly being ravished, not necessarily because European places were more beautiful to start with, though they frequently were, but because certain kinds of beauty were more cherished in Europe than here. One thinks of the rivers of Europe—the Seine and the Rhône, the Neckar below Heidelberg, and the Isar rolling its glacial green waters past the Museum Insel in Munich, even the Thames. The Hudson is really, I think, a nobler river than any of them, with greater possibilities of beauty, but in no European city that I know could it be disfigured by so much that is ugly, sordid, and chaotic as it is in New York. Lakes and rivers are used commercially abroad—witness the heavy barge traffic on the Seine—but they remain an intimate and lovely part of the lives of the cities situated on them. What one remembers when one thinks of the Seine is not belching factory chimneys and railroad sidings and billboards, but lovely, weathered gray stone parapets and bridges, trees, and Parisians fishing from the quays and from little rowboats moored in the shadows of the bridges. One likes to walk in the streets of these European cities, too. Is walking in any American city still a pleasure? For one thing these cities have a springtime, such as no modern geometric city all steel and concrete can have—a springtime of chestnut blossoms and lilacs and laburnums. They still combine to a large degree city and country features. They have flower markets, too, because to their inhabitants flowers are a necessity and not a luxury. You will see the thriftiest housewife in Paris or Brussels buying a few sous' worth of flowers along with the vegetables she puts in her string bag.

Another advantage, a part of the escape if you like, enjoyed by the expatriate is the sense of personal liberty. In part, of course, this is subjective and is based on his freedom from whatever he left behind him. In part it has a real basis, though real and amusing contradictions also exist. In France, certainly, he achieves a very large degree of freedom—an almost complete freedom in such matters as drinking, love-making, or witnessing the love-making of others. On the other hand, though the English like to spoof us about prohibi-

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tion, the expatriate soon finds that England has prohibition about sixteen hours out of the twenty-four.

In both France and England, as elsewhere in Europe, when the political situation is not too ticklish, the expatriate enjoys the freedom of detachment. After all, he is an outsider and does not count. To be allowed not to count, to be an onlooker with no responsibility for anything that goes on about him and with the opportunity to observe and understand as fully as possible the people he lives among, is one of the distinctive advantages of the expatriate's position. It is perhaps not an advantage that can be enjoyed safely for too long a period, but certainly it is a help in extracting significance from one's European experiences.

And how rich the expatriate's and even the tourist's opportunities sometimes are in this direction. All that he needs is a little leisure and a slightly contemplative cast of mind. How utterly revealing of a national psychology it may be just to watch a French or an English or a German audience at a play or a concert; to sit up all night with seven other travelers of assorted nationalities in the hermetically sealed third-class compartment of a transcontinental train; to steep oneself in native newspapers—foreign news, death notices, matrimonial offers, and all; to mingle with the crowds at a *kermesse* or attend the *jour de prix* at a French school, the Derby in England, or a criminal assizes wherever one happens to be. Life becomes just one revelation after another. When you have witnessed the ingenuity with which a bourgeois French family manages not to extend hospitality to outsiders, except on rare and formal occasions, you find suddenly that you have discovered why France is full of excellent and economical and altogether delightful inns, while in hospitable England, where only tourists and people who are in trade and do not count ever have to put up at hotels, they are uniformly abominable, expensive, and depressing.

But the dollar is not as good as it was. Exchange is uncertain. "Signoria," "Herrschaften," and the rest are a thought less spontaneous. Even the editors of little magazines with a whole Milky Way of Edward O'Brien stars to their credit are coming home. But far more ominous signs are appearing that the days of escape to Europe are numbered. In England a mob boos the royal family—a symptom as grave as riot and bloodshed would be elsewhere. In Germany and Austria nationalism and incited race riots flare up, expressing themselves in violence and persecution. Last winter in Geneva, the calm, the stodgy, the almost comically reasonable "Cité de Refuge" and home of religious tolerance—still conscience-stricken, after three hundred years, over Calvin's burning of Servetus—a handful of frightened young soldiers opened fire on a crowd of peaceable Socialist demonstrators and turned the familiar Plaine de Plainpalais, the home of market booths and merry-go-rounds, into a shambles. Later the Swiss authorities, without the excuse of panic or inexperience, upheld the bloody deed and sought only to punish the protesting Socialists. Civil war and class uprisings are making life and property as unsafe in Europe as racketeering and criminality are making them so over here, perhaps on an even larger scale. Europe as a playground, as a quiet retreat for work or as a refuge from engulfing chaos, is becoming daily more impossible.

But if, when disaster has finally overtaken us, the new world order or the crumbling debris of the old order still leaves us any choice, some of us may still prefer to live among what is left of scenes and folkways that were so congenial to us. By the banks of rivers where even in the metropolis fishermen in little boats are fishing for their suppers; where the spirit of play enters even into a strike, as when the telephone girls of Paris amused themselves for an hour by giving consistently wrong numbers (it probably was not so very difficult for them at that), and streets, as if by magic, were swept absolutely bare of taxis, appearing startlingly new and visible. In some little town or village built around a *grande place,* the home of *kermesses,* bordered by pollarded plane trees whose thick leaves offer adequate shelter alike from the blazing noonday sun or sudden shower, where speech heard is remembered and treasured by the ear like music. In a little city on an Alpine lake which erected a memorial fountain on the spot "where Rousseau first met Mme de Warens." In any one of a hundred remembered places where in spite of grim lives and struggle and hardship something of beauty and gaiety and individual flavor has lingered.

(This is the concluding article in a series on travel and life abroad. Previous articles were Travel for a Song and Ships and Floating Hotels, by Arthur Warner, which appeared in the issues of March 22 and April 5, and How to Travel in Soviet Russia, by Amy S. Jennings, in the issue of May 10. Between now and the end of June two more columns of travel information by John Rothschild will be published.)

In the Driftway

THE Drifter thinks that a good deal of the financial history of the United States in the last quarter of a century is to be extracted from his recollections of a certain savings bank. Years ago he opened an account there, his first in the Great City, and he has had a few dollars on deposit ever since. He chose the bank because it was near the office in which he was working and was recommended by a coworker. The bank was in a small basement reached from the street by a steep flight of stairs. When the Drifter visited it, he saw behind not-too-forbidding barriers a paying teller, a receiving teller, sometimes a bookkeeper, and occasionally a man whom the Drifter thought to be either the cashier or the president—he never knew which. The Drifter liked the little basement bank. He didn't have to wait in line or visit half a dozen windows in order to deposit or withdraw a dollar. Also the employees looked honest and competent and stayed on, getting a little more mature (the Drifter refrains from suggesting old) from year to year. Meanwhile the bank steadily paid its depositors a rate of 4 per cent.

* * * * *

THE time came when the Drifter opened another account in another savings bank. This other bank was on the street floor of a prominent thoroughfare, but it was modest in its appointments and it too paid 4 per cent. Later on it was obsessed with delusions of grandeur, put up a handsome marble building, and promptly cut its interest rate to 3½ per cent. The Drifter withdrew his account and put it in the unpretentious basement which still paid 4 per cent.

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TIME jogged along, and the country followed the Joneses to new ways of life and business. But the basement bank maintained its position until a few years ago. Then it succumbed and moved to new quarters. The new quarters were not extravagant, but they were on the street level—twice as large and presumably much more costly. Later a day came when the Drifter read in the newspapers that his little savings bank had been merged with several others into a Large Institution. When next he visited it, two distinguished young men were pacing the lobby dressed in natty blue uniforms and Sam Brown belts equipped with revolvers. They seemed to have nothing to do but pace and look distinguished. A desk, too, had been installed in the lobby. There was a sign on the desk reading "Information and Service," behind which sat a young lady with a handsomely marcelled coiffure. The Drifter took a look around the premises and was glad to see that his old friends were still there, although almost lost among newcomers and a vast new array of filing cases, snappy-looking machines, and gadgets which pass under the general name of "office equipment." Yet the Drifter did not observe definite signs of increased business. In fact he was the only client in the bank at the moment of his visit. That is about all there is to record—unless it might be worth noting that the interest to depositors is now 3 instead of 4 per cent.

THE DRIFTER

Correspondence

The Storm Still Rages

[We have received a great many letters commenting upon the article by Ludwig Lewisohn in our issue of May 3 and also upon the correspondence about that article which appeared in *The Nation* of May 17. We must conclude the debate with the following excerpts from representative letters.—EDITORS THE NATION.]

The charge made by Elmer Rice that Ludwig Lewisohn appeals to the "same narrow clannishness which Hitler personifies" approaches the domain of intellectual dishonesty. Is it fair and honest to state that the Zionists are raising "obsolete battle cries"? Is it fair to imply that the normal Jewish consciousness of historical responsibility is identical with Hitler or fascist chauvinism? Zionists have the courage to decide their Jewish fate in a positive manner, and are not satisfied with the mediocre, bourgeois attitude which defines the Jewish destiny, according to Mr. Rice, in the following manner: "They want security for themselves and for their families, economic opportunity, and peaceable and friendly intercourse with their neighbors." Do we deserve for these reasons to be called narrow nationalists? We Zionists, as true liberals and progressives, join with Mr. Rice "in a common effort to liberate all the people of the earth," not excluding our own Jewish nation.

Los Angeles GABRIEL SEGALL

Mr. Rice loses the right to be a Jewish spokesman when he makes the statement that "the position of the Jew throughout the world today is better than it has ever been." This is not a true statement. At no time in all the history of the world has the Jew's position been as sad as it is today. We happen to be concerned with the status of a half-million Jews in Germany. But what about the 3,500,000 Jews in Poland? What about the millions of Jews in Rumania, Latvia, Lithuania, and other countries where the Jew is not only economically declassed but is hounded like a dog politically and socially? And, finally, what about the quiet but definitely discriminating boycott which is hounding Jews in enlightened countries, not excluding our own land, where discrimination in employment was felt by Jewish people for years before the present economic crisis?

Detroit PHILIP SLOMOVITZ

It was high time that the resentment of many cultured Jews against the reactionary sentimentality of Ludwig Lewisohn found a voice. Let us beware of confusing the Jewish religion with Jewish culture; we have, as intelligent persons, done with religious dogma, however attractively the superstition may be garbed. Let us beware of confusing Jewish culture with Jewish separatism and a return to the narcistic conception of a Chosen People with a Mission. We are not seeking exemption from the hostile passion vented upon Jewry. We refuse, however, to be beaten back into the medievalism of our persecutors. That, indeed, would be their final victory.

Roxbury, Mass. ISAAC GOLDBERG

Those authors who protest against "Ludwig Lewisohn's call to the Jews to rally under the ancient banners of Israel and meet the German attack by intensifying their solidarity" apparently labor under the delusion that Lewisohn's suggestions mean the erection of a miniature Temple in each Jewish community and a return to the garments and language of ancient Jerusalem. They cannot understand that actually Lewisohn is urging the Jews to become familiar once more with their spiritual heritage, which to their detriment they have gradually been losing. Lewisohn whole-heartedly believes, and many with him, that this most ancient and understanding of all racial histories can be a source of immense strength to present-day Jews.

Brooklyn HERMAN SLAVIN

What connection is there between Mr. Lewisohn's rebuke to the ultra-assimilationist German Jews and Mr. Rice's grouping together of such dissimilar persons as Einstein, Lord Reading, Max Steuer, a Bronx sweatshop worker, and other Jews? Suppose we take an equally heterogeneous group of American citizens, say Will Rogers, Clara Bow, Senator Borah, Heywood Broun, and Nicholas Murray Butler, and ask what they have in common besides American citizenship and the English language. Does the grouping together of these persons as members of a national and cultural entity mean a return to barbarism, racial isolation, superstition, or the like? As a matter of fact, while the persons selected by Mr. Rice have no common citizenship, language, or even religious praxis, they do have in common an interest in the past and future of the Jewish people (which no informed person confuses with race), and all of them have, so far as I know, a warm sympathy for the Zionist idea and program, which Mr. Rice and the other critics of Mr. Lewisohn seem to think so dangerous to the peace of Jew and Gentile alike.

New York RALPH MARCUS

Resentment is a natural and, on occasion, laudable passion, but like all passions it blinds one to reality. Mr. Lewisohn, a conscious nationalist Jew, resents the attitude of other Jews who neither are nor wish to be like himself. Mr. Rice—with his Jewish and Gentile allies—resents the attitude of Mr. Lewisohn. As a result, neither of them is able to acknowledge all the facts of the case, and both of them are reduced to that very intolerance they most decry.

The fact is that many Jews find expression and happiness in becoming more or less or altogether Gentiles; and on the

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other hand that devotion to Jewish culture, whether it be religious or national, with its tendency to separatism, often results —as the world wags—in the exclusion and persecution of the Jew. This Mr. Lewisohn refuses to admit. But the further fact is that many Jews likewise find their true field of contentment and expression in a more or less complete association with their historic past; and on the other hand that an adoption of Gentile culture, even when it is complete, often has resulted—as the world now wags in Germany and once wagged in France, Russia, Spain, and Alexandria—in the same exclusion and oppression of the Jew. This Mr. Rice will not see.

Anti-Semitism, it cannot be too often repeated, is not a Jewish but a Gentile problem. There is little the Jew can do to vanquish it. If he goes native, like Mr. Lewisohn, he runs the chance of getting knocked on his caftan by a Pole. If he turns Gentile, like Mr. Rice, he may get his fedora bashed by a *gummi-knüppel*. There will be no solution until the world acknowledges the right of a man to indulge in whatever culture he pleases and in whatever doses he prefers, precisely as it grants him the right to believe, half-believe, make-believe, or disbelieve in whatever religion comes to his hand. Isn't the world big enough to hold pure Jews, half-caste Jews, half-caste Gentiles, and pure Gentiles?

New York MARVIN LOWENTHAL

A Different Appraisal

TO THE EDITORS OF THE NATION:

As one of the "uplifters" mentioned in Mr. Pearl's criticism of "100,000,000 Guinea Pigs" I wish to declare a totally different appraisal of the book. I read it with deep regret that the authors find so many materials and commodities deserving condemnation, as well as so many deficiencies in food and drug laws and so much laxity among public officials. I gave the book to the dietician of one of our State institutions, who returned it with the remark that she believed it would be as effective in its field as "Uncle Tom's Cabin" was on the slavery issue.

Mr. Pearl, feeling that the authors do the manufacturers of good products an injustice, says that "it states only one side of the case." What of it; isn't that logical? The authors are not trying to pat honest men on the back for producing good foods; they are trying to expose the inadequacies of laws designed to protect consumers and the failure of officials to secure the welfare of the people. They prove their case by reference to specific instances in which chemical analyses have shown that poisoning and death were produced by toxic constituents of foods and drugs, and to letters and statements by department officials and scientific authorities.

The absence of statistics does not detract from the value of the book from the layman's standpoint. If chemical examination has disclosed the presence of lead and arsenic on fruit, we may well take warning. If a number of women have been killed by thallium acetate in depilatories, others may profitably use caution in the choice of depilatories—unless they prefer lovelessness to life. To be able to purchase materials judiciously, however, the consumer would have to be a chemist, physicist, and general technician and have a private laboratory in his home. This being impossible, a necessary function of government is rigidly to control production with respect to quality of materials. The need for such control is successfully pointed out in the book, and this in itself is justification for its publication.

The intelligent reader need not be distressed because the authors have chosen a title intended to catch the eye. Realizing the apathy of the masses on questions of government and social welfare, the reader can readily excuse, even compliment, the authors for methods of presentation which command the people's interest in a subject of such importance. Mr. Pearl's failure to demonstrate actual cases of departure from truth or honesty in this book indicates the invalidity of his criticism.

"100,000,000 Guinea Pigs" is a book every American should read.

Ray Brook, N. Y., May 20 KENNETH GORDON

Tax-free City

TO THE EDITORS OF THE NATION:

Here is an instance of public ownership of utilities that may interest your readers in connection with the articles that have been appearing in *The Nation*.

The Chapman, Kansas, *Advertiser* for July 14, 1932, ran an advertisement of a house for sale which contained the following statement: "There has been no city tax to pay in the last two years. The city electric and water pay the running expenses of the city and leave a small surplus over the budget." In the issue of July 7 this item appears: "One of the acts of the city council at their meeting Tuesday that will be received by residents with satisfaction was cancelation of the water bills for the past quarter. Chapman citizens have the cheapest light rates in the State, and with an occasional water bill cancelation the water cost is reduced to a very low rate for towns of this State."

Monterey, Cal., May 11 WAYNE EDWARDS

An Antiquated Schedule

TO THE EDITORS OF THE NATION:

A movement is under way to help unemployed nurses find work. An eight-hour schedule instead of the antiquated and inhuman twelve-hour routine seven days a week is being advocated for nurses doing private duty in private as well as State hospitals. Nurses have for years accepted the twelve-hour schedule as one of the basic requirements of their profession. But it is no longer necessary. Hospitals which have tried the eight-hour schedule have uniformly found it satisfactory in aiding employment and helping the nurses live a fuller life. Sensible reasons for the continuance of the twelve-hour schedule have not been advanced. The proposition is generally rooted in inertia to change. If the public were made aware of the oppressive conditions, we feel sure there would be every chance for the successful adoption of the eight-hour schedule in the hospitals throughout the country. A large number of hospitals in New York City have already adopted it.

New York, May 13 IDA SHERMAN

Unfair Criticism

TO THE EDITORS OF THE NATION:

Always convinced of the essential fair-mindedness of Norman Thomas, I was shocked to find his criticism of what Roosevelt has accomplished to be in reality a criticism of democracy as a system versus socialism as a system. Instead of scrutinizing the efforts and plans and solutions of a Democratic President working within the boundaries of an established set-up, which seemed, from the title of the article, to be his purpose, Mr. Thomas based his criticism on what he would do as a Socialist President with a Socialist set-up. That seems to me unfair.

Hammond, Ind., May 10 HEDWIG S. KUHN

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Finance

The Art of Conversion

THOSE two wizards of financial legerdemain, John I. Mange and Howard C. Hopson of the Associated Gas and Electric Company, continue to demonstrate a touching fidelity to the investment practices of yesteryear. Their most recent attempt to add one more white rabbit to the many they have already pulled from the hat is embodied in their offer to the holders of Associated Gas and Electric debentures, by which they seek to relieve the company of the burden of $260,000,000 in fixed-interest-bearing debt. In their generosity Messrs. Mange and Hopson have not restricted themselves to a single offer to the debenture holders, but have proposed three optional methods of reducing the lien on the earning power of the holding company. Under the first option a holder of a $100 debenture would receive a $50 debenture of the Associated Gas and Electric Corporation, a subsidiary of the parent company. The new security would carry fixed interest at the same rate as the old, thus involving a reduction of 50 per cent in both interest and principal for the holder. However, the holder would have the privilege of converting this security into a $100 income debenture of the subsidiary, carrying from ½ to 1 per cent less interest than the present debentures. As an income security rather than a fixed-interest-bearing security, the debenture of this second option would offer little legal recourse to the holder should the interest not be paid. The third option offers income debentures of the parent company of the same face value and interest as the present fixed-interest-bearing debentures.

Mange and Hopson have always found fixed charges distasteful, as illustrated by their frequent recourse to financing through securities nominally called debentures but actually convertible into stock at any time at the option of the management. Their plea to the debenture holders on this occasion reads like an unconscious confession of this prejudice. "The dangers of fixed-interest securities in times like these are becoming more and more apparent," they proclaim. They omitted to add that these dangers apply particularly to the stock equities of inflated holding companies like Associated Gas and Electric. In a forced reorganization the prior lien of the company's $260,000,000 of debentures would not be likely to leave much for the $123,000,000 capital stock and surplus. What would be left for the small issue of Class B stock, which holds sole voting power and through which Mange and Hopson control the whole top-heavy structure of their system, is even more questionable. In such event Messrs. Mange and Hopson might easily be left high and dry at the top of an empty pyramid. This is the danger which the two gentlemen must have in mind. To avoid it, they are asking the debenture holders to accept an offer which, if the revenues of the system continue to decline, would greatly impair the latter's position in a possible reorganization, and which, if revenues increase, would represent a greatly inferior security to the one they now hold.

Henry Ford, long the arch opponent of Wall Street, is once more treating with the enemy. After so many years of frantic breast-beating over the tribe of bankers in general and over Wall Street bankers in particular, Henry has ended by selling his Universal Credit Corporation, a financing organization handling the instalment sale of Ford cars, to the Commercial Investment Trust Corporation, a concern affiliated with many leading Wall Street banking houses. The price was $30,000,000. The sage of Dearborn explained away his surrender to New York finance on the ground that instalment financing is a banking business which should be separate from the manufacture and sale of motor cars. This alibi is patently naive since the banking character of instalment financing must have been as apparent in 1928, when Ford organized Universal Credit, as it is now. A more likely explanation is that Henry is sufficiently hard up for cash to make $30,000,000 look extremely big to him, regardless of its source. He is generally reported to have had about $50,000,000 in Detroit banks prior to the collapse there, while his operating losses since the end of 1930 have been heavy. In 1921, when Ford was pinched for ready money, he surmounted his difficulty by ruthlessly forcing his dealers to buy a large number of cars for cash, regardless of their ability to sell them within a reasonable period. This time such a procedure was impossible, since Ford's dealers are now bled white from years of sparse business. What gives added piquancy to the deal, when one recollects the fantastic vagaries of the Dearborn *Independent* several years ago, is that the transaction was negotiated by Kuhn, Loeb and Company.

PETER HELMOOP NOYES

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Books and Drama

Sonnet

By MARK VAN DOREN

No throat had ever told me what I know,
And knowing now so well, pity a lover's
Silence; for the voice of love is low;
It cannot rise to what the heart discovers.
It cannot sing as high as love's own mind,
Which, truant among birds, flies daily back
With a wide restlessness, and looks behind
At everything the darkened house will lack.
Therefore I hold these words inside my heart,
Therefore I tie each thought that would ascend.
They languish, but it is the better part,
And there is sweeter music in the end—
Unheard by even you, on whom the sound
Gathers like dew upon the senseless ground.

Prelude

By CONRAD AIKEN

In the clear shaft of light the child so standing
alone, but his aloneness yet unknown,
all things accepting, all things at random heeding,
nearest pebble and farthest star commanding,
sorrow and joy his own
to do his bidding

In the clear shaft of light, whether the tree
were moved by the wind or still,
alone on the flowered hill
there with the birdsong and the time song
day song and wind song
all things himself to be

So that the leaves himself became
and the green hill made answer to his name
and all things knew him who himself knew all—
so that, the sun obscured by clouds, the light
absent, he too was absent with delight,
thus went, thus came—

He with the pebble in his lifted hand
whose footsteps might be traced
by flower or grass displaced—
now gone, now here, now far, now near,
now fallen in shadow beyond the rim of death
again brought homeward by lightly taken breath

O simple one, happy one, vague one, nimble one,
has time come over your hill
has time with long bells told you, told,
and do you stand there still,
among dead flowers, the sunlight gone,
your hill grown old?

In the clear shaft of light the man so standing
alone, but his aloneness known,
all things accepting, all things gladly heeding,
the heart beating, the hand bleeding,
the lost world now again his own
and marvelous with understanding.

Law, Life, and Morals

Ethical Systems and Legal Ideals. By Felix S. Cohen. New York: Falcon Press. $3.75.

Law and the Social Order. By Morris R. Cohen. Harcourt, Brace and Company. $3.75.

TRUE philosophers are rare, but philosophical *families* are much rarer. One thinks of the elder and younger Mill, and, by a widening of the definition, of the three Jameses; but the list is deplorably brief. It is unusually pleasant, therefore, to witness the simultaneous appearance of these two important contributions, by father and son, to the philosophy of law.

The volume by the son, Felix S. Cohen, is a systematic essay devoted chiefly to the contention that the true purpose of law is to promote the good life, and that the value of the legal system as a whole, or of any specific statute, must be ultimately judged by its success in forwarding that aim. To the layman this thesis might seem almost too obvious for statement. Mr. Cohen remarks, indeed, that only two writers on law and politics (Aristotle and Bertrand Russell) have troubled distinctly to affirm it. Other philosophers, it is true, including Plato, Mill, Bentham, and many others, have accepted this basis of valuation, but none of them has apparently thought to formulate it explicitly. But like so many other propositions that, when stated, are as obvious as they are undeniable, it is constantly being overlooked or forgotten. Thus many legal writers hold, at least implicitly, that the field of law is independent of ethics and morality. According to M. Leon Duguit, for example, law has for its sole purpose social solidarity. Other writers have tended to base their legal criticisms on the hidden premise that the law is an isolated rational system to be judged primarily by the internal consistency of its assumptions. They usually regard their criterion as a logical one, but Mr. Cohen shows that this demand for the law's internal harmony and symmetry is primarily aesthetic. The criterion has a certain value, but it must always remain secondary to the judgment of law in terms of its social consequences. Another standard is that which values a law by its expressed content or its purpose instead of by its probable or demonstrable results. This is the fallacy most frequently committed by laymen. (The prohibition law is the outstanding present example of it, but it makes a constant reappearance, and it accounts for the popularity of such recent measures as the farm bill, the thirty-hour bill, and the proposed federal guaranty of bank deposits.) Still another standard, maintained by Hobbes, for example, values law for the peace and security it brings. But the reign of law and order, as Mr. Cohen points out, while desirable, is not an intrinsic good but an instrumentality for the achievement of the good life; and like every other tool it must be discarded or mended when it fails to accomplish its end. Order and security are so important that some ethical sacrifices may rightfully be made to secure them; but there is a limit to such sacrifices: "To sacrifice successively the elements of life that make peace good in order to achieve peace is like burning up the house in order to light it." A similar criticism must be made of the valuation of law in terms of its power to secure "liberty." Mere freedom from legal restraint, if law serves any valuable

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end in society, is incompatible with the only sort of freedom that is worth preserving, the freedom to lead a good life; and therefore it cannot possibly serve as a final ideal for the valuation of law. It is not freedom in general, but freedom to do and enjoy good things that is valuable; and this ideal constitutes a statement rather than a solution of the fundamental legal-ethical problem. When he comes, finally, to the ideal of "justice" as the standard for measuring the law, Mr. Cohen finds this term even more ambiguous than "liberty," and concludes that it cannot serve as a final criterion for the evaluation of law unless it is *defined* as "the good which law is able to achieve."

But if we agree that the value of law is to be judged ultimately by its efficacy in promoting the good life, we merely move to the further question, What is the criterion of the good life? Mr. Cohen, undaunted, proceeds to devote more than a third of his book to answering this purely ethical question. After an argument too intricate to follow here, he concludes that the standard of the good life has been most adequately formulated by the theory of hedonism. Legal institutions and laws are to be judged by their effects on human happiness. Mr. Cohen, in brief, emerges as a frank disciple of Bentham, to whose works, he remarks, "we largely owe every important legal reform of the nineteenth century"; and he suggests boldly that even the ridicule of the "hedonic calculus" might be considerably undermined by "a willingness to examine the actual development of that calculus at Bentham's hands and the actual uses to which it is put in his legal criticism."

In his balance, in the acuteness of his logic, and in his passion for precise and unequivocal statement, Mr. Cohen is the spiritual as well as the physical son of his father. Unfortunately, his style is much below the level of his thought. His book is heavy-going; and the difficulties it presents to the reader cannot be wholly attributed to the subtlety or necessary abstractness of the reasoning.

Professor Morris Cohen's book is not, like his son's, a systematic treatise, but a collection of essays, reviews, and addresses that have appeared over a period of twenty years. They range in scope from quasi-popular articles on the political and legal muddle-headedness of Herbert Hoover and Elihu Root, and critical evaluations of the work of individual political and legal writers—among them Justice Holmes, Roscoe Pound, and Harold Laski—to broader discussions of the relationship of law to logic, scientific method, and philosophy. The essays overlap to some extent, and Professor Cohen would probably be the first to acknowledge that they sometimes give a too one-sided impression. For it is one of his outstanding merits as a thinker that he neither mistakes a half-truth for the whole truth nor for a lie, but recognizes it for what it is, and looks for the opposing and supplementary half-truth. This principle of polarity he applies as fruitfully throughout the present volume as he did throughout his "Reason and Nature." As good an illustration as any may be found in his essay on Property and Sovereignty. He begins by showing that as a legal term "property" denotes not material things but certain rights; that the essence of private property is always the right to exclude others, and that the large property holder is, in effect, a wielder of power over the lives of his fellow-citizens. As such legal powers cannot be pursued absolutely without detriment to human life, Professor Cohen cannot regard private property as sacrosanct, or hold that the general government must in no way interfere with or retrench its domain. On the other hand, limited property rights may provide a desirable social security and stability, take care of individual needs of privacy, and stimulate economic productivity. "The issue before thoughtful people is therefore not the maintenance or abolition of private property, but the determination of the precise lines along which private enterprise must be given free scope and where it must be restricted in the interests of the common good."

HENRY HAZLITT

Chinese Looking-Glass

The House of Exile. By Nora Waln. Little, Brown and Company. $3.

"THE HOUSE OF EXILE" is an unusual human document, sincerely written, with a mass of details and incidents. In it one does not see the Chinese as a strange people with an incomprehensible psychology; one feels and thinks sympathetically with them, because Nora Waln does so herself. Selecting the more significant of her experiences, she has written out of her years in China truthfully and charmingly.

A Pennsylvania Quakeress, whose family for generations had had a trade relationship with a Chinese clan called Lin, she grew up with an intense interest in things Chinese. While she was in college she chanced to meet two of the Lin family who were traveling in the West. "They were two exquisitely neat slim figures, with faces of smooth ivory. Both were dressed in high-collared, heel-length gowns of dark silk, with sleeveless jackets of brocade. . . . Their detailed perfection of dress and their self-possession, amid the staring crowd, made me timid." The words she caught from the train window, "you must come to me," were engraved on her mind. For five years she cherished the intent to go—studying in the meantime the Chinese dictionary. Eventually, in 1920, she went to live with the Lins, as "a daughter by affection," in the House of Exile—so-called because thirty-five generations back it had branched off from the Lins in Canton. A guest under such circumstances in the heart of China is rare indeed.

"From the moment of my arrival in China, it was as though, like Alice, I had stepped through a looking-glass into another world. The world I left behind became a dim, fantastic dream. Only this into which I entered seemed real." It is a strange coincidence that this reviewer, having left the world she describes and come to the Western world, feels that he has said these words. He wonders what it is in that old world to capture her imagination and attention, so that she toils ardently to memorize the classics that he has put aside in order to have more time for Shakespeare and Goethe. Because she went not to teach but to learn, she came to understand the literature and mind of the Chinese in her period of twelve years among them far better than many others do in a lifetime. There is no prejudice or favoritism shown in this book, nor is there any sentimentality. The accounts of Chinese political movements are accurate. All her pages show a deep sincerity, a vividness like that of Chinese landscape painting, and the sensitiveness of a poetic spirit. The following paragraph, describing the home of a well-to-do Chinese family, is a typical example of her style:

> Hua-li was busy in court and garden coaxing the peonies with pruning knife, liquid fertilizers, and sprinkling basin. Mai-da and I thought that the showing of flowers and buds was perfect. In varieties of every size, from the round of a summer fan to the rim of a humming bird's nest, they gave a dignity and fragrance to the House of Exile. They rose, on glazed tile terraces facing the south side of the lapis-lazuli pond, in a luxuriant hill of color shading through dark plum, wine red, sunset rose, sunrise pink, apple bloom, and cloud white. Beyond the wistaria arbor pale yellow peonies unfurled their beauty against feathery bamboo saplings. In the library court the plant called "Maiden Asleep in the Moonlight," brought by a bride from the city of Loyang one hundred years ago, proudly lifted purple buds beyond counting on sturdy stalks.

The illustrations by C. Leroy Baldridge admirably match the style and tone of the book.

YOUNGHILL KANG

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Stranger than Fiction

The Facts of Fiction. By Norman Collins. E. P. Dutton and Company. $3.50.

THIS collection of essays is stranger than fiction in so far as the truth of its actual defects and qualities contrasts with the enthusiastic encomiums from English reviewers with which the jacket is adorned. "Immense liveliness and humor," says Miss Clemence Dane; "the Lytton Strachey of literary criticism," says the *Morning Post;* "exciting, provocative," says Mr. Priestley; "a good book, a fresh book, witty and unconventional," says Miss V. Sackville-West. And these are but a few quotations from many, all by leading reviewers or from leading journals. The author is the assistant literary editor of the London *News Chronicle,* and is apparently regarded with unfeigned delight by his eminent colleagues.

On reading the book, however, one is reluctantly driven to the conclusion that a certain flippancy of treatment in literary criticism is so unusual in England that a departure like this from the conventional manner produces little shudders of delight, as when someone ventures a mildly risqué joke at tea with the vicar. Mr. Collins writes readably of the outstanding novelists from Richardson to Joyce, and throws in a hasty chapter on the American novelists, to prove his lack of insularity. Of course, these are not in any sense "the facts of fiction," since they are the brief, impressionistic comments of a skilful journalist on such novels as he chances to select for his faint heresies and kindly witticisms. In this country, I suspect, the faintness of the former and the mildness of the latter would rather dampen enthusiasm for the manuscript, which is neither serious enough, on the one hand, nor provocative enough, on the other. The very obvious antithesis—for the sake of antithesis—of the title, wholly irrelevant to the book, is a good measure of the whole.

Mr. Collins, for example, does not worship D. H. Lawrence. He seems to think "The Brook Kerith" George Moore's only relatively important work, and fills out his chapter with the thrice-told tale of Moore's conversion. He notes that Arnold Bennett was the eternal provincial, but grants that "The Old Wives' Tale" somehow transcends the man Bennett. H. G. Wells would be more highly esteemed as a story-teller if he had not tried so hard to be a deep thinker. James Joyce is "not only a courageous prophet but an outrageous punster." Richardson was the "first psychological novelist," and to understand "Clarissa" one must accept "the difficult but essential doctrine of the Immaculate Seduction." "Anyone who cannot enjoy Fielding will probably have a thin enough time in the rest of English fiction." Etc., etc.

When he finally reaches the American novelists, one has long abandoned hope of information, insight, or stimulation. "It would be easier to write of the progress of American fiction if so many of the novelists . . . were not so resolutely progressing backwards." In other words, Mr. Collins thinks that the North is now discovering the aristocratic traditions of the South. Whereupon Mr. Faulkner appears as one of those, together with Upton Sinclair, who have become hopelessly enslaved to the glamor of the old South. Theodore Dreiser, it appears, writes badly, and his view of the world is not rosy-colored, but, somehow, there is strength and power in his work. For Branch Cabell Mr. Collins expresses his most complete contempt. One short passage from "Jurgen" is quoted to show that such writing "is a grief to any who have learnt to distinguish between film-subtitle English and English between Malory and Maurice Hewlett." Miss Willa Cather is "astonishingly successful within her limits," and Thornton Wilder is "astonishingly limited within his success." Sherwood Anderson's novels are "unattractively designed to resemble the halting utterances of a halfwit child." Etc., etc.

These brief quotations are not, I think, unfair to Mr. Collins. They illustrate his manner and his point of view. If they constitute him the Lytton Strachey of literary criticism, then it is certainly true, as he admits of the level of American as compared with English fiction, that in America the general level is higher. We should measure our critical Stracheys with a more accurate rod, and reserve for our Collinses more charitable comparisons.

ERNEST BOYD

A Hero for Stendhal

Memoirs of the Comte de Tilly. With an Introduction by Havelock Ellis. Farrar and Rinehart. $4.

AT Brussels in the year 1816 an obscure courtier of the *ancien régime* in France placed a pistol to his head and blew out his brains. Since those celestial youthful days at court he had gone halfway around the world, had blackmailed a rich Philadelphian by marrying his daughter, had returned to the Continent and gambled away what was left of his mysterious American income. The Fall of the Bastille had invalidated his excuse for living. It was difficult to earn a livelihood among the newly rich middle classes, and perhaps a trifle more degrading to make a cuckold out of a tradesman than to perform the same office for lords and princes.

Twelve years later Stendhal came upon the courtier's memoirs and was delighted with his discovery. Tilly was a Stendhal hero in the flesh: restless, handsome, favored by fortune and then ruined by an inability to plan his own career. He was a rogue and yet was forced to play his role according to an outworn, sentimental code of honor. He could not perpetrate the major villainies; and though he could use women to gratify his vanity, his power failed to bring him large rewards. He might be ushered in the front door and as suddenly out the back. After a quarrel or a break in the relationship, he might be easily forgiven, yet confidence would not be restored; the tongue was too glib, the eyes too roving.

Why, then, is Havelock Ellis excited over the publication of this forgotten manuscript? First of all, because Tilly was a good specimen of a dying class, the parasite who fed well upon other and larger parasites and whose memoirs struck the dead level, the norm, of all eighteenth-century autobiography. Secondly, because the man displayed an artful effrontery in self-presentation; less successful, less spectacular than Casanova, his boldness has a charm quite its own, and though he was obviously weak in character, he was often ingenious in getting out of scrapes. Lastly, and perhaps most important, the memoirs suggest a psychological analysis of his own career; and though it seems to be unconscious, his manner of telling a story bears some resemblance to a technique that Stendhal perfected to its logical conclusion. Lacking the consciousness of the very form that he employed, Tilly is often dull and the pattern of his structure is sometimes obscure, yet he is never mediocre.

Curiously enough Tilly's "portraits" of women are less convincing than his characterizations of men. One has the feeling that he met his many ladies in the dark; even their all-important bodies and faces tend to blur out into a single, composite, shadowy reflection in the mirrors of his memory. In his Duc d'Orleans, one recognizes at once the genial but inwardly flabby nobleman who could not save himself from the doom of the onrushing revolution. The detailed sketch of Touceville is excellent, and one suspects that Tilly has written an idealization of his own life in this short career of murder and playing for high stakes which ended in the arms of a young and newly married wife on a small estate in Brittany.

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Tilly's escape from the revolution was a fruitless gesture that merely delayed the moment of his death. Were those who walked so calmly to the guillotine less bent on self-destruction than he who died by his own hand? Their bravery was of a sort that met death a little more than halfway. Starvation, the dishonor of working for a livelihood were realities of a new world in which they found themselves, a world more terrible than any doubt of another Versailles in hell or heaven.

HORACE GREGORY

The Happiest People

Arctic Village. By Robert Marshall. Harrison Smith and Robert Haas. $3.

"ARCTIC VILLAGE" is dedicated by the author to the villagers he writes about, "who have made for themselves the happiest civilization of which I have knowledge." Robert Marshall spent one chance summer there, and returned to spend a year proving to himself that he was right, and that a human community could be as happy as this one seemed to be. He has set forth the proof in a factual recital that includes budgets, law enforcement, and community quarrels, as well as conversations and life histories that give an enviable intimacy with this jumping-off place of the world.

Wiseman, Alaska, within the wilderness of the Koyukuk, is one of the few surviving outposts of the old American frontier. Not only are the spirit and economic life of Wiseman those of the old frontier communities; the old sour-doughs who still make up the bulk of the population are the very pioneers who broke the trail into the upper Koyukuk during the gold rush of '98. More fortunate than most, they have not yet been overtaken in their mountains by capitalistic industrialism, and the overwhelming majority testify in the strongest terms to their satisfaction with their existence.

Life in the Koyukuk is of course no South Sea paradise. It is dangerous, it is uncomfortable, it makes harsh demands upon man's ingenuity and courage. Above all, for the great majority it has precluded marriage and children. Only about a quarter of the white men have wives either white or Eskimo, and most of the men without families regard this as a loss. Neither are these frontiersmen unaware of other curtailments in their lives. Most of them recognize that there is a highly desirable life "Outside" if one has plenty of money. But gold mining in the Koyukuk pays one's way and that is about all; if they went Outside they would still have to earn their living. They are satisfied with their condition because they have been able to get a livelihood without loss of independence—as they say, "There's nobody in God's world to boss your life except yourself"—and because they are interested. "Up here in the Koyukuk there's almost nothing you ever do that doesn't interest you."

They regard themselves as interested, and they regard themselves as free. What else, according to their philosophy, makes men happy? Certainly the situations that have fomented the greatest bitterness Outside—inequality of wealth and the race problem—have been handled in the Koyukuk without misery to those involved. The seventy-seven whites, as the author calls all those who are not natives, include Greek, Scandinavian, Herzogovinians, and even one Negro. The fifty natives are chiefly Eskimo, and include Indians, and Eskimo half-breeds with Indians, whites, and Japanese. There is no discrimination on racial grounds. The whites and natives depend on each other for constant acts of generosity and kindness; they share the same shacks and the same social dances; and they intermarry without loss of prestige on either side. The problem of the inequality of wealth is similarly unproductive of difficulties. It is striking that even in the Koyukuk five persons could buy up all the other ninety-seven adult males. But the concentration of wealth has not the consequences it has Outside. The man without a cent has just as good a chance to make money next summer as the man with $50,000. The possession of wealth confers the possibility of a trip Outside, but it gives no social prestige and no control at all over the thoughts and actions of the poor. Nor does the lack of wealth involve insecurity. A man can always pay his way as long as he has the use of his limbs, and Alaska has old-age pensions, or a home if they prefer it, for the incapacitated sour-doughs.

It is a sad commentary upon our civilization that an alert, happy, interested community should be the exception for which it is necessary to seek along the remote northern tributaries of the Yukon. Yet there is the most striking contrast between this community and those which most of us know most intimately. Certainly the cities and towns of the United States of which somewhat similiar descriptions have been published are farther removed spiritually from this Alaskan village than the Arctic Circle is from our temperate latitudes. The anxiety neurosis which the Lynds circumstantially described as paralyzing the life of "Middletown," and the group frustration which Blumensohn recorded of a Western mining town in "Small Town Stuff," are spared these self-reliant Koyukukers. They have made for themselves another world. No one who reads these three accounts can fail to be struck afresh by the force of the old saying, "Man does not live by bread alone," and to realize that important spiritual goods are beyond the reach of most people in our civilization. Yet without these goods life is scarcely worth the living.

RUTH BENEDICT

Siegfried's South America

Impressions of South America. By André Siegfried. Translated by H. H. Hemming and Doris Hemming. Harcourt, Brace and Company. $2.

SIEGFRIED'S colorful and apt descriptions combine with Ione Robinson's charming drawings to make this collection of letters one of the most interesting books on South America. The travel sketches are those of a sympathetic and sensitive observer; the critical economic and political material is open to attack and not always consistent, but undeniably stimulating and original.

The central motif of Siegfried's political observations is, perhaps, that there is no public opinion in South America. Subsequent material does not bring out this point. The political regime, he believes, is essentially presidential, with a tendency toward strong personalities and dictatorships. The control of national and local appointments enjoyed by the executives gives solid root to the system. In any case, the assemblies, although elected, are often nominated by the president, and some "are as spineless as the one that offered the crown to Napoleon." As presidential impeachment is not provided for in these constitutions, the tendency is toward military revolution to unseat the tyrant and give the victors the spoils.

The effect of foreign investments upon a country's political regime Siegfried does not discuss in this connection, although in another section he points to the unsoundness of a national economy based on a naive belief in the continual rise of prosperity, and to the precarious nature of the South Americans' wealth—their balance of trade in raw materials.

Any democracy that exists in South America is a superficial one of mere electoral machinery. Siegfried makes racial and cultural homogeneity a prerequisite of democracy. But in South America he finds a large Indian, black, or half-breed population ruled by a small aristocracy of old Spanish families. In Brazil,

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Argentina, and Uruguay there is the additional Italian and German immigrant group. Here he finds society in layers, from the savage Indians to the cultured citizens of large cities. "Consequently," he says, "we have fundamental differences of civilization," within which democracy is not possible. There is a suspicion that Siegfried's sympathies lie strongly in the direction of the French form of aristocratic democracy. Thus the democracy coming into Brazil, Argentina, and Uruguay in the nineteenth century seems to please him. "The tendency," he says, "is toward a French type of radicalism, but without the poison of social revolution." At times he seems not a little disturbed by the possibility of a strong middle class coming to power in some South American countries, although this group's existence is even denied in other sections and is never defined. Whether Siegfried's "middle class" is formed of the native laboring masses or the petty bourgeoisie is not clear.

The social and cultural future of this southern continent may lie in the lap of the gods, but Siegfried is certain they will not be Anglo-Saxon gods. He knows that the spirit of these countries will remain Catholic and Latin, that the moral tone of the Iberian peninsula will survive the Anglo-Saxon influence. "The more the country is re-Indianized," he says, "the further it is carried away from the Nordic idea of action and responsibility." The great interest South American university students have manifested in American ideas, he holds, is motivated chiefly by a desire for money and success. Certainly the folks at home (the French Foreign Office?) have nothing to fear; the American conquest of South America can do nothing against the Latin trinity—language, church, and home. The Anglo-Saxons may play the role of conquerors, but after all, "their civilization, curiously enough, sheds a light inferior to their power."

G. C. Convers

Shorter Notices

Storm Beach. By Virginia Hersch. Houghton Mifflin Company. $2.

The history of the Carvalhos was a "long stern saga" until they came to America. Sephardic Jews from the Mediterranean, uprooted from the West Indies by the insurrection of the slaves, they found in the Charleston of the early nineteenth century an ease which freed them from their struggles with a society which bore them ill-will and induced tenuous emotional trials with each other. Sarah, the matriarch, kept many of them under the emotional hothouse she brought with her. Judith, her daughter, might have married a Gentile she loved, but she did not. She might have married her cousin Jacob, but she did not love him. Instead, she formed a little private school and wrote poetry which a part of Charleston liked. The other Carvalhos worked and married and traveled between the North and New Orleans, with their emotional home always the matriarchal hothouse in Charleston. "Storm Beach" has many of the features—historic, scenic, and human—which might lend excitement to a novel, but these elements merely simmer here and never gather to a boil. Only by forcing himself can the reader feel about Mrs. Hersch's characters as she herself feels. Are Jews really these incessantly tremulous creatures of emotion?

The Fleeting, and Other Poems. By Walter De La Mare. Alfred A. Knopf. $2.50.

This is Mr. De La Mare's first volume of poetry in six years. The poems included range over an even longer period, but many are new. In these last poems, the mood, so unique in all this poet's verse, has taken on a darker shading. Walter De La Mare has always given in his poetry hints of a supernatural world which is really the world of our subconscious minds. Just over the border line of the rational mind lies this world of dreams, in which the vision is the reality, in which the dead live, in which a voice from nowhere may speak. In his verses for children, this world, seen only with the inner eye, may be pictured as a kind of fairyland, but for the adult it has other meanings and symbols. It is the world of moments so intense and so untranslatable that they may be communicated only in the vague imagery which suggests rather than defines. Whence the poet's constant use of such words as strange, ominous, dim, drift, fleet, vision, somber, secret, dark, brood, miracle, mist, marvelous—words which ring bells and awaken echoes in the mind. His poetic images, appearing in a kind of dimmed and scattered splendor, create a nostalgia for that other world concerning which we have only such brief intuitions as may come to us through waking or sleeping dreams. Such images never have intellectual content; they take shape from not-quite-defined emotions, and therefore reproduce those emotions and their connotations. The new and latest poems in the volume are concerned most particularly with overtones of feelings about death. In the poet's mind death is not oblivion, but merely another kind of living. But the veil over this world of death is heavy and darkly autumnal in coloring. It cannot be lifted without renunciation of life. If Blake represents the pure visionary and Shelley the pure dreamer, Walter De La Mare represents a combination of the two: the visionary without religious mysticism, the dreamer without any dogma, revolutionary or fixed. His angel points neither to God nor to a Utopia; his angel is involuntary memory beating against the bars of the rational mind.

Thrust at the Sky. By MacKnight Black. Simon and Schuster. $2.

In his first book MacKnight Black attempted to make the subject of "Machinery" emotionally significant in poetry. His method was to describe machines in terms of trees or flowers, to give them the emotional value of a more familiar set of images. In his second, and posthumous, book, "Thrust at the Sky," this poet attempts to tell a story of the city in imagery characteristic of the modern age. His long narrative poem is concerned with a young architect whose passion is to build skyscrapers. This man falls in love with a city girl, but he must, in the end, renounce his love if he would attain his desire. The poem is unfinished; the young poet died without completing it. But the editor who knew him states that his plan was to have the architect sacrifice love of woman for a greater love. Here, in other words, is a new and modern theme, a new setting, and a deliberately chosen language to present the emotion; Mr. Black describes his background and his people in terms of electric currents, biological laws, architecture, planes, angles, blocks. Love is given as the law of Bunsen and Roscoe. His books have been, in other words, studies in poetic method. Given a little more time he might have found the way in which he could best present his passion for the mechanical civilization in which we live. He did not, as have Hart Crane, Archibald MacLeish, E. E. Cummings, and others, take the imagery and the new language of a scientific age for granted and use them subjectively. He wished to approach his subject objectively, to present it descriptively, and this, with so new a subject and so new a language, was difficult. He had only begun his work at the time of his death.

Vigo. By Bruno Roselli. The Stratford Company. $2.

Professor Bruno Roselli has written an impassioned presentation of the life of Francis Vigo, whom he rightly describes as "a forgotten builder of the American Republic." There is no doubt whatever that Vigo did play a very important part in the ousting of the French and English from the Middle West, and that he was of inestimable service to George Rogers Clark,

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whose bloodless "victory of Vincennes" appears to have been entirely due to Vigo's courage in visiting Vincennes as a trader and reporting to Clark that the time was ripe for him to strike. The difficulty with treating the life of Vigo is that there are so few unquestioned facts known about him; much has to be assumed and to be deduced. Professor Roselli has been most industrious in searching the records in all directions. He has been especially interested in bringing out the fact that Vigo was not a Spaniard, as has been so often maintained, but an Italian. Indeed, as an Italian, Professor Roselli writes with the special object of improving Italian-American relations by presenting the record and the real achievements of this Italian pioneer of the American frontier. As a historical document the book would, of course, be more valuable if it were less obviously a tract, written to prove a thesis. None the less, the work has been worth doing, for there is no doubt, as George Rogers Clark himself wrote to Vigo, that much gratitude was "due from your adopted country," and that he was a "veteran to whose skill America and Kentucky owe so much." Clark even spoke of this Italian aid of his as "the savior of this once-distressed Country."

Drama

Summary II

FOR some reason or other the plays this season have tended to be either distinctly more or distinctly less "serious" than usual. With his "We, the People" Elmer Rice made an ambitious but unsuccessful effort to dramatize the winter of his economic discontent; with "American Dream" George O'Neil made a similarly ambitious and similarly unsuccessful effort to castigate in more poetic terms the same sins; and with "Little Ol' Boy" Albert Bein preached somewhat more successfully than either of these two against the specific evils of our reform-school system. But aside from these distinctly didactic dramas, the outstanding plays of the year were cast in the form of comedy. Indeed, John Howard Lawson's "Success Story"—itself not wholly innocent of political tendency—is the only memorable drama which took mere human nature with much solemnity, and on the basis of these facts one might risk a very tentative generalization.

Earnest souls, it would appear, have hardly dared to look at man himself. To take him seriously they have been compelled to take him in the mass and to concern themselves more with what he might be than with what he is. On the other hand, those who have interested themselves primarily in the individual as he is, and with life as audiences are most likely to know it from direct experience, have tended to find wit more appropriate as a comment than eloquence or poetry. Sometimes the wit has been savage, as in "For Services Rendered" and "The Three-Penny Opera"; sometimes it has been wisely tolerant, as in "Biography"; and sometimes it has been bubbling, as in "The Late Christopher Bean." But the point is that in those plays which, to me at least, seemed the best of the year, the guiding spirit was the spirit of comedy, the sense that man hardly deserves to be taken with too much seriousness and that the only way either to love or to pardon him is to look down from the heights of a detached and critical intelligence. I have long maintained that this ought, logically, to be an age of comedy, that the comic spirit is the logical product of our famous disillusion. I am inclined now to suspect that the next few years will see either the triumph of that logic or the triumph of some utopian illusion based upon the Russian rather than upon the American Dream.

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As for concrete phenomena of the season, I should tabulate them thus:

The most satisfying plays: Behrman's wise and witty study of three types of character, "Biography"; Sidney Howard's understanding comedy of art and the New England soul, "The Late Christopher Bean."

The outstanding failures which ought to have been outstanding successes: Arthur Hopkins's original and elevated drama, "Conquest"; Dawn Powell's bitter satire on contemporary business and contemporary pleasure, "Big Night"; Kurt Weil's new setting for an old English farce, "The Three-Penny Opera"; Somerset Maugham's devastating comment on those who did their bit, "For Services Rendered."

The outstanding successes which got more than they deserved: Noel Coward's amusing but meretricious "Design for Living"; Rachel Crother's self-satisfied "When Ladies Meet"; Kaufman and Ferber's all-too-showy "Dinner at Eight."

The best performances of the year: Walter Connolly and Pauline Lord in "The Late Christopher Bean"; Ina Claire in "Biography"; Osgood Perkins and Leslie Adams in "Goodbye Again"; J. Edward Bromberg in "Big Night."

The most promising newcomer to emerge: Jane Wyatt in a whole series of unsuccessful productions.

The plays which ought never have been produced at all: Space forbids.

JOSEPH WOOD KRUTCH

Films

A New Child Actor

BASED on Jules Renard's celebrated novel of forty years ago, "The Red-Head" ("Poil de Carotte"), the new French picture with English subtitles at the Europa, is a study in childhood's sufferings, frustrations, and despairs. The story, which is laid in a small provincial town, relates the efforts of the boy Poil de Carotte to protect himself in what is probably the most dreadful household ever represented on the screen. Dominated over by the stern, repressed, and undoubtedly sadistic mother, the Lepic ménage is one of those family hells whose various members no longer speak to each other; the father hardly admits the existence of his wife and three children; and of the children only the youngest, Poil de Carotte, retains any human characteristics. Arriving home from boarding-school, the boy is immediately subjected to every sort of persecution at the hands of his mother and elder brother and sister. At first the father is too preoccupied with his own miseries to take any notice, but toward the close he is made aware of the situation. While he is being feted after his election as mayor of the town, news comes to him that his son is at home preparing to commit suicide. Needless to say, the boy is discovered just in time, with the noose still around his neck, and the picture ends with the promise of a mutually protective relationship between father and son. From such a summary it is evident how many elements the film has in common both with such American attempts to handle the same theme as "Skippy" and "Huckleberry Finn" and with the more recent "Mädchen in Uniform." This French picture, however, is sharply distinguished from the first by having in Robert Lynen incomparably the finest child actor the screen has yet seen. Although it is the first time he has faced the camera, his acting has range, subtlety, and in certain places a mature emotional power. His lonely, neglected, over-sensitive little boy is no angel—a certain slyness, which has grown out of suffering and abuse, cuts through the charm and pathos and makes him seem more real. But despite the equally strong use of attempted suicide in the climax the picture is not another

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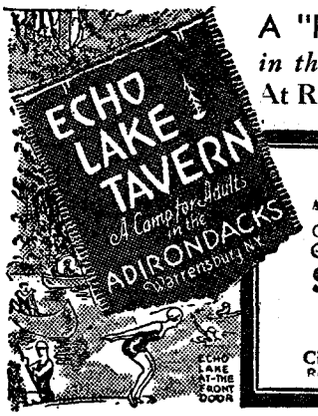

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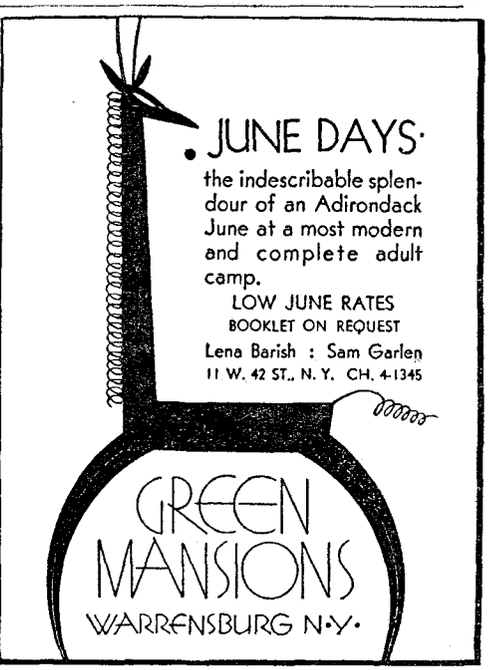
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Other resorts on page iii

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"Mädchen in Uniform." The reason, perhaps, is that the emotional problems of childhood, however beautifully rendered, are never so dramatically significant or compelling as those of adolescence. Between the world of the child and the world of the adult there is too wide a breach; and the result is usually a mood of pathos rather than the sharp impact of tragedy. From such a mood of sentimental pathos "Red-Head" does not escape, although the acting of Robert Lynen and the other principals does much to make us forget it. And it should be added that the exquisite photography of Henri Duvivier, who has been influenced by directors as widely different as Eisenstein and René Clair, is also among the things that make "Red-Head" well worth seeing.

It is rumored that the antics of the swaggering, wisecracking, face-pushing Mr. James Cagney, although presumably stemming from the lower reaches of Tenth Avenue, are rapidly being adopted by the youth in our colleges. If this is true Mr. Cagney must be considered the most influential of our younger screen stars, and his latest exhibition, "Picture-Snatcher" (Strand), should be seen and carefully studied by anyone interested in current trends in manners and morals. Certainly Mr. Cagney brings all his accustomed aplomb to this very hard-boiled romance of an ex-gangster who attempts to make good by "stealing" pictures for a cheap New York tabloid. The most exciting episode occurs when he talks his way into the death-chamber at Sing Sing and secures a picture of an electrocution by means of a camera attached to his ankle. But all of the picture is exciting, and the only handicap to its more perfect enjoyment is the prospect in the near future of a whole generation of young men created in the Cagney image.

"Forgotten Men" (Rialto) has been playing for some time with great success; but so far no one has made the observation that this collection of actual photographs made by the various governments during the war is really less effective, either as a picture of modern warfare or as an anti-war tract, than certain reconstructions of the war made in Hollywood studios. Despite the shots of refugees fleeing French and Belgian villages, over-the-top attacks, bodies being hurled into the air, the effect of the whole is to give a considerably less horrible impression than such a picture as "All Quiet on the Western Front." What it illustrates, although in a negative manner, is once again the triumph of art over nature. WILLIAM TROY

Contributors to This Issue

PAUL Y. ANDERSON is a Washington correspondent of the St. Louis *Post-Dispatch*.

GEORGE WARD STOCKING, professor of economics at the University of Texas, has recently returned from Mexico, where he made a study of the question of social control of the oil industry.

JOHN GUNTHER is Vienna correspondent of the Chicago *Daily News*.

MARTHA GRUENING has lived many years in Europe.

CONRAD AIKEN was awarded the Pulitzer poetry prize in 1930 for his "Selected Poems."

YOUNGHILL KANG, a Korean, is a member of the department of English of New York University. He has written the story of his life in "The Grass Roof."

ERNEST BOYD is an editor of the *American Spectator*.

HORACE GREGORY is the author of "No Retreat."

RUTH BENEDICT is a member of the department of anthropology of Columbia University.

G. C. CONVERS, a native of Colombia, is connected with the department of history and education of New York University.

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